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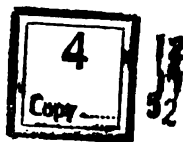
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71st Congress. House. Com. 400 - Appropriations.
GENERAL DEFICIENCY BILL, 1915

HEARING



BEFORE

**SUBCOMMITTEE OF HOUSE COMMITTEE
ON APPROPRIATIONS**

CONSISTING OF

**MESSRS. JOHN J. FITZGERALD (CHAIRMAN), CHARLES L. BARTLETT,
THOMAS UPTON SISSON, FREDERICK H. GILLETT,
AND WILLIAM S. VARE**

IN CHARGE OF

**DEFICIENCY APPROPRIATIONS FOR 1915
AND PRIOR YEARS**

**SIXTY-THIRD CONGRESS
THIRD SESSION**

**WASHINGTON
GOVERNMENT PRINTING OFFICE
1915**

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GENERAL DEFICIENCY BILL, 1915.

HEARINGS CONDUCTED BY THE SUBCOMMITTEE, MESSRS. JOHN J. FITZGERALD (CHAIRMAN), CHARLES L. BARTLETT, THOMAS U. SISSON, FREDERICK H. GILLETT, AND WILLIAM S. VARE, OF THE COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, IN CHARGE OF DEFICIENCIES FOR THE FISCAL YEAR 1915 AND FOR PRIOR YEARS.

WEDNESDAY, FEBRUARY 17, 1915.

TREASURY DEPARTMENT.

STATEMENTS OF MR. E. H. JEMISON AND MR. C. D. HARRISON.

FREIGHT, EXPRESS, TELEGRAPH, AND TELEPHONE SERVICE.

The CHAIRMAN. "Contingent expenses: For freight, expressage, telegraph, and telephone service," you had \$12,000, and you are asking for \$7,000 additional?

Mr. JEMISON. Yes, sir. In regard to that matter, Mr. Wilmeth took that up with Mr. Harrison, who is present, and Mr. Harrison prepared a statement for Mr. Wilmeth and that statement, which I should like to submit to the committee, is the basis of the \$7,000 deficiency estimate and will show the necessity for the \$7,000. Mr. Harrison had several interviews with Mr. Wilmeth about this matter, and as Mr. Wilmeth has been called away I thought that Mr. Harrison could explain it better than I could, because he had a hand in it.

The CHAIRMAN. This statement shows that you spent \$9,388.39 during the first six months?

Mr. JEMISON. Yes, sir.

The CHAIRMAN. And there is a statement that you will require \$9,388.39 for the last six months. How do you know that?

Mr. HARRISON. That is based on the expenditures of the first six months; it is merely an estimate.

The CHAIRMAN. How about the expenditures during the last six months of the last fiscal year? How do they compare?

Mr. HARRISON. There has been a very large increase, and the amount necessary for the last six months will depend altogether on the amount of official public business transacted by telegraph and long-distance telephone.

The CHAIRMAN. I know, but you must tell us what the deficiency is due to. For instance, in July, 1913, the expenditures on account of the long-distance telephone amounted to \$14.55; in 1914, \$84.25; and in 1915, \$139.70. In August, 1913, \$7.30; 1914, \$129.30; and in 1915, \$111.25. In November, 1913, \$8.20; 1914, \$33.65; and 1915, \$171.75. Take the telegraph service: July, 1913, \$84.50;

1914, \$347.37; and 1915, \$221.87. August, 1913, \$92.51; 1914, \$551.08; and 1915, \$1,345.68. September, 1913, \$124.59; 1914, \$276.10; and 1915, \$2,512.07. There must be some explanation of these extraordinary expenditures for this service.

Mr. JEMISON. The bulk of the expenditures during July, August, September, and October for telegraph service was caused by increased business in the Office of the Comptroller of the Currency, due to the stringency of the financial situation. I think Mr. Wilmeth sent a copy of a letter from the Comptroller of the Currency in regard to his expenditure of two or three thousand dollars for telegraph service. I have a copy of the letter here, but I notice it says that a copy was sent to the Appropriations Committee.

The CHAIRMAN. There seems to have been some new policy adopted of communication by telegraph, has there not?

Mr. JEMISON. Not that I know of.

The CHAIRMAN. There must have been to jump from \$124.59 to \$276.10, and then to \$2,512.07?

Mr. JEMISON. That is on account of the increased business. Most of that was done in the Comptroller of the Currency's office.

The CHAIRMAN. Has there been any change of policy in the method of communication?

Mr. JEMISON. No, sir.

Mr. BARTLETT. The expenditure in September, 1915, was ten times greater than in September, 1914?

Mr. JEMISON. We wrote a letter to the comptroller, and here [exhibiting] is a copy of his reply, which explains that increase.

Mr. SISSON. What are your telegraph rates as compared to the commercial rates?

Mr. HARRISON. They are very much lower. We have the regular Government rates fixed by the Postmaster General.

Mr. SISSON. What I am trying to get at is what that rate is as compared to the commercial rate?

Mr. HARRISON. I do not know exactly offhand; I think it is less than one-half of commercial rates.

The CHAIRMAN. You do not know anything more about it than just what is stated in the letter?

Mr. JEMISON. No, sir.

Mr. BARTLETT. Is this deficiency of \$7,000 in addition to the \$5,000 granted in the urgent deficiency bill?

Mr. JEMISON. Yes, sir.

Mr. BARTLETT. Making \$12,000?

Mr. JEMISON. Yes, sir.

Mr. BARTLETT. You never had any deficiency except in 1914, when it amounted to \$2,000?

Mr. JEMISON. Yes, sir; that was the first deficiency.

Mr. HARRISON. And of that amount there is a little unexpended balance which was not used.

Mr. BARTLETT. This is about three times as much as you usually spend?

Mr. JEMISON. Something over two and one-half times as much.

Mr. BARTLETT. Is any of that due to telegraphing abroad conveying money at the breaking out of the war which was deposited with the Secretary of the Treasury?

Mr. JEMISON. I do not think so.

Mr. BARTLETT. None of that is chargeable here?

Mr. JEMISON. No, sir.

Mr. HARRISON. I understand that the cotton situation necessitated a good deal of telegraphing?

Mr. BARTLETT. Why?

Mr. HARRISON. The Secretary was seeking information from the different cotton sections about the money which was raised, a sort of cotton pool.

Mr. BARTLETT. Not by the Government?

Mr. HARRISON. I think the Secretary got information on certain subjects. There was also a gold pool of \$100,000,000 formed by the banks. All those things entered into it.

Mr. BARTLETT. There was a cotton pool of \$100,000,000 formed by private bankers, not by the Treasury Department or the reserve banks. I think you may have reference to a hearing down here for the purpose of having Government money deposited to move the cotton crop?

Mr. HARRISON. That is it. I asked the telegraph operator how it happened that there was such a big increase in the expenditures, and he said it was in reference to the cotton situation and the currency deposited in the banks.

Mr. BARTLETT. Is every head of division in the Treasury Department authorized to send telegrams—is there no check or anything of that sort?

Mr. JEMISON. No; only the Secretary, Assistant Secretaries, and heads of offices and bureaus of the department. Of course, the only telegrams which go out are on account of emergencies which can not be met by correspondence by letter. I think the bulk of the business during the past year was done through the Comptroller of the Currency's office, and there has been a very large increase in the Secretary's office.

(The statements submitted by Mr. Jamison follow:)

The chief clerk's office prepared a circular letter under date of October 1, 1914, copy appended, calling the attention of heads of offices to the urgent necessity for curtailing to the minimum the use of the telegraph in the conduct of official business. Even with this notice or request, it has seemed impossible to prevent a deficit in the appropriation for this service.

TREASURY DEPARTMENT,
Washington, October 1, 1914.

To heads of bureaus and chiefs of divisions, Secretary's Office, Treasury Department.

GENTLEMEN: Attention is invited to the necessity for curtailing to the minimum the use of the telegraph in handling the official business of this department. Excessive demands have been made during the past several months upon the funds appropriated by Congress for telegraph service in the department, and every precaution must be exercised in order to bring the present apparent deficit down to the minimum.

The cooperation of the heads of all offices and bureaus is urged to secure the desired end.

Respectfully,

(Signed)

BYRON R. NEWTON,
Assistant Secretary.

Appropriation "Contingent expenses, Treasury Department, freight, telegrams, etc., 1915."

REIMBURSABLE ACCOUNTS NOT INCLUDED.

Telephone rental and local service, July 1 to Dec. 31, 1914.....	\$1,712.10
Long-distance telephone service, July 1 to Nov. 30, 1914.....	617.35
Long-distance telephone service, Dec. 1 to Dec. 31, 1914, estimated.....	150.00
Dictograph service, July 1 to Dec. 31, 1914.....	57.00
Freight and express accounts paid	16.93
Freight and express accounts outstanding, estimated	10.00
Telegraph service, July.....	221.87
Telegraph service, August.....	1,345.68
Telegraph service, September.....	2,512.07
Telegraph service, October, estimated	1,015.00
Telegraph service, November, estimated.....	1,000.00
Telegraph service, December, estimated.....	600.00
Telegraph service, outside bills, estimated.....	125.00
Purchase order for equipment (batteries, etc.).....	5.39
Total for six months.....	9,388.39
Appropriation, legislative act	7,000.00
Appropriation, deficiency act	5,000.00
	12,000.00
Available for last six months of year.....	2,611.61
Required for last six months ¹	9,388.39
Deficiency July 1, 1915, estimated.....	6,776.78

Comparative statement of telegraph and long-distance telephone expenditures.

	Long-distance telephone.			Telegraph service.		
	1913	1914	1915	1913	1914	1915
July.....	\$14.55	\$84.25	\$139.70	\$84.50	\$347.37	\$221.87
August.....	7.30	129.30	111.25	92.51	551.08	1,345.68
September.....	2.65	89.05	94.80	124.59	276.10	2,512.07
October.....	7.25	34.20	99.85	155.64	221.38	1,015.00
November.....	8.20	33.65	171.75	138.62	167.38	1,000.00
December.....	5.90	22.05	.....	118.58	180.90	600.00
January.....	1.85	15.05	.....	142.21	164.95	125.00
February.....	4.50	10.05	.....	169.45	112.20	.....
March.....	30.35	16.35	.....	207.05	150.55	.....
April.....	43.65	9.60	.....	197.60	142.21	.....
May.....	51.95	96.35	.....	147.33	174.75	.....
June.....	72.90	40.15	.....	347.92	121.06	.....

¹ Estimated.

² Estimated, F. S.

Mr. Sisson. In other words, he substituted the telegraph for the mails?

Mr. JEMISON. Yes, sir.. Possibly it might have been that some of the correspondence conducted by telegraph could have been done by mail. The urgency of the situation and conditions, however, demanded the use of the telegraph to expedite matters.

Mr. BARTLETT. The long-distance telephone rates are much higher than the telegraph rates, of course?

Mr. JEMISON. Yes, sir.

¹ Requirement for last six months of fiscal year estimated on expenditures for first six months.

WEDNESDAY, DECEMBER 17, 1915.

INTERNAL REVENUE.

STATEMENTS OF MR. E. A. FORBES, OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE, AND MR. P. S. TALBERT.

REFUND OF COLLECTIONS.

The CHAIRMAN. On page 5 is an item "To enable the Secretary of the Treasury to refund money covered into the Treasury as internal-revenue collections under the provisions of the act approved May 27, 1908, \$50,000." What is the situation?

Mr. FORBES. It is just as stated in the note; there has been no material change.

The CHAIRMAN. I know; but you must make a statement for this record.

Mr. FORBES. There are on file cases requiring the refundment of \$29,703.65, and other cases in which refunds will be authorized, although claims have not yet been made, aggregating \$10,860.

The CHAIRMAN. You have paid out how much so far?

Mr. FORBES. We have paid out \$44,000 of the \$50,000.

The CHAIRMAN. You have paid that out?

Mr. FORBES. Yes, sir; and there is \$6,000 unexpended.

The CHAIRMAN. Even the note you sent here does not state that. How much have you actually spent?

Mr. FORBES. Approximately \$44,000.

The CHAIRMAN. The note does not say that.

Mr. FORBES. At present there is a balance of \$6,000 out of the \$50,000, which makes a little under \$44,000 paid out.

The CHAIRMAN. I would like to know how much you have actually paid out.

Mr. FORBES. \$44,000. The appropriation was \$50,000; we have \$6,000 unexpended, making \$44,000 expended, in round numbers.

The CHAIRMAN. You do not say that at all. You say that these claims will aggregate a certain amount and that after they are paid you will have a balance of \$6,000, but it does not say you have spent—

Mr. FORBES (interposing). These are unpaid claims.

The CHAIRMAN. Which claims?

Mr. FORBES. These claims that we refer to here; these claims involving \$43,000.

The CHAIRMAN. How many claims were presented which have been paid?

Mr. FORBES. They aggregate \$44,000.

The CHAIRMAN. How many claims in numbers?

Mr. FORBES. I have not the total number here.

Mr. MALBURN. I think I can explain it. The amount that has been paid out is the difference between \$50,000 and \$6,000, but that has no connection with the \$43,000, which represents claims which have been presented but not paid.

The CHAIRMAN. Do you mean that these 1,044 cases in which refunds have been authorized, involving payments up to \$29,703.65, and the 764 cases in which refunds will be authorized, although the claimants have not yet been notified, aggregating \$10,860, are in addition to the claims which have actually been paid, aggregating \$44,000?

Mr. FORBES. They are in addition to the claims actually paid, and they have not been paid.

The CHAIRMAN. Then I am in error. To meet the claims aggregating \$43,063.65, which at present appear to be refunds, there is approximately \$6,000 in this appropriation?

Mr. FORBES. That is right.

The CHAIRMAN. Now, then, you say that you expect there will probably be about \$14,000 additional?

Mr. FORBES. Yes; that the claims arising during the last five months of this fiscal year will approximate \$14,000.

The CHAIRMAN. That is, between now and the end of the year?

Mr. FORBES. Yes; there was \$1,000 yesterday.

The CHAIRMAN. That is an unusual number of claims.

Mr. FORBES. That is not the number of claims; that is the money.

The CHAIRMAN. I mean, it is an unusual sum. How do you account for that?

Mr. FORBES. We can not tell. It may be that the rejected offers in compromise will aggregate more than that.

The CHAIRMAN. Has there been any unusual situation in any particular branch?

Mr. FORBES. This was the unusual situation,—that the Secretary of the Treasury authorized the refunding of \$40 paid by corporations and \$15 paid by individuals in the income-tax cases.

The CHAIRMAN. Penalties for failure to file the returns within the time provided by law?

Mr. FORBES. That is right.

The CHAIRMAN. And in those cases a penalty was fixed of \$50 for corporations and \$20 for individuals.

Mr. FORBES. At first, yes; but the Secretary decided that would be excessive.

The CHAIRMAN. That covers cases where the failure to file within the time specified was due to an oversight, or something like that?

Mr. FORBES. It does not matter.

The CHAIRMAN. I mean where it was not deliberate, and where it was shown it was an oversight and they afterwards filed?

Mr. FORBES. Yes.

Mr. TALBERT. A good many filed within a very few days afterwards; it was just an oversight.

The CHAIRMAN. Had there been a very large sum paid in as penalties?

Mr. FORBES. These were all paid in.

Mr. TALBERT. The amount that has been accepted will amount to several hundred thousand dollars.

Mr. FORBES. That can not be returned.

Mr. TALBERT. There is no proposal to return that, but the acceptances will probably be two or three hundred thousand dollars.

Mr. BARTLETT. You require a man who makes an application to put up the money and wait until the department acts on the application?

Mr. FORBES. Yes.

Mr. BARTLETT. And if the department acts favorably it is refunded to him, but if the action is unfavorable the money goes into the Treasury?

Mr. FORBES. The money paid to collectors of internal revenue as offers in compromise is deposited at once and covered into the Treasury. When an offer is rejected it is refundable to the proponent from the appropriation "Refunding internal-revenue collections" for the year in which the offer is rejected. When an offer is accepted no further action is taken, as the acceptance satisfies the Government's requirements on account of the proponent's delinquency for which the offer in compromise was made.

Mr. BARTLETT. If his application is denied he does not get it back?

Mr. FORBES. If the offer in compromise is rejected he can get his money back by making claim for refund.

Mr. BARTLETT. But he has to put up the money before he can make an application for a refund?

Mr. FORBES. Yes.

The CHAIRMAN. Is that the chief reason for this, or have you had an unusual number of internal-revenue violations?

Mr. FORBES. No great number; that is the cause of the deficiency, refunding those items.

The CHAIRMAN. That penalty of \$50 and \$20 occasioned very serious complaints from all over the country?

Mr. TALBERT. Very serious complaints, Mr. Fitzgerald. We had a great many complaints, and a great many Members of Congress came down there in the interest of their constituents who had been practically penalized to that extent, by fixing that as the limit which would be accepted. I dare say that almost every Member of Congress has had constituents who have complained to him about those things and the hardship involved. I think we have accepted some 10,000 cases altogether.

The CHAIRMAN. As far as you can see now you need \$50,000?

Mr. FORBES. It depends upon whether the amount involved in cases arising before July 1 next will run up to \$14,000.

The CHAIRMAN. At any rate you have an actual deficiency of \$36,000?

Mr. FORBES. Approximately that; yes. A \$1,000 case arose yesterday. Mr. Talbert says he did not know anything about it at the time the figures were given.

Mr. TALBERT. We had two instances of oleomargarine frauds where offers of \$600 and \$400 were made. We rejected those offers and the cases were taken into court. The parties were fined \$5,000 apiece and, of course, the court having settled the matter we will have to refund the amounts they put up as offers of compromise; those cases now are out of our jurisdiction. A good many cases come along from time to time.

WEDNESDAY, FEBRUARY 17, 1915.

REVENUE-CUTTER SERVICE.

STATEMENT OF CAPT. ELLSWORTH P. BERTHOLF, COMMANDANT.

The CHAIRMAN. "For expenses of the Revenue-Cutter Service, including the same objects specified under this head in the sundry civil appropriation act for the fiscal year 1914, \$7,398.58." Your appropriation for 1914 was \$2,300,000. How does this happen, Captain?

Capt. BERTHOLF. That comes from the fact, Mr. Chairman, that we charged the 1915 appropriation with the supplies we were obliged to buy for the vessels assigned to the Bering Sea patrol. We had to fit out those vessels in May and June and they had to take on supplies to last them until December. We thought that the supplies purchased for use in 1915 ought to be paid for out of the 1915 appropriation, but the comptroller thinks differently, and has held that these supplies must be paid for out of the 1914 appropriation. In that appropriation there is not sufficient money remaining. The whole amount was \$9,898. There was a balance of \$2,500, and we ask for a deficiency for the difference.

The CHAIRMAN. This is the actual amount?

Capt. BERTHOLF. Yes, sir. Most of it is naval material and that is why we have been able to hold up the bill.

Mr. BARTLETT. That is to carry out the treaty between the United States and Great Britain?

Capt. BERTHOLF. Yes, sir.

COAST GUARD.

The CHAIRMAN. The next item is:

For amounts required during the fiscal year nineteen hundred and fifteen to comply with the provisions of the act entitled "An act to create the Coast Guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service," approved January twenty-eighth, nineteen hundred and fifteen, as follows:

Office of the Coast Guard: For difference in compensation, from March first to June thirtieth, nineteen hundred and fifteen, between two chiefs of division at \$3,000 each per annum, and the Assistant Chief Division of Revenue-Cutter Service at \$2,400, and the Assistant General Superintendent Life-Saving Service at \$2,500, \$366.67, or so much thereof as may be necessary.

In this case the compensation is raised, one chief of division \$600, and the other \$500?

Capt. BERTHOLF. Yes, sir.

The CHAIRMAN. This covers the additional amount necessary up to the 30th of June?

Capt. BERTHOLF. Yes, sir.

The CHAIRMAN. The next item is:

REVENUE-CUTTER SERVICE.

Revenue-Cutter Service: For longevity pay of fifty-six warrant officers, \$2,705; longevity pay of eighty-eight petty officers, \$2,591.60; additional pay of eighty-one other enlisted men, \$645; pay of nine warrant officers (retired), \$3,883.15; pay of nine enlisted men, \$1,891.50; in all, \$11,716.25.

This is due to the operation of the law?

Capt. BERTHOLF. Entirely; yes, sir.

The CHAIRMAN. The first one is, "For longevity pay of 56 warrant officers, \$2,705." Those are men who were in the Life-Saving Service?

Capt. BERTHOLF. No, sir; they are the men in the former Revenue-Cutter Service. The reason for that expense is this: Under the old revenue-cutter law warrant officers were entitled to longevity pay only for the time they were actually warrant officers, and under the coast-guard law they get longevity pay for their entire service the same as everybody else. Under the old law a warrant or petty officer got 10 per cent for every five years of service as such warrant or petty officer. Now he gets his longevity pay for each five years of service.

The CHAIRMAN. Whether he was a warrant officer or not?

Capt. BERTHOLF. It does not make any difference. That is the way it is in all services. It corrects a very unfair state of affairs. Under the old law a seaman's pay was \$36 a month, and having served, we will say, nine years and thus entitled to \$3 extra, \$39 would be his full pay. If he was a good man and we wanted to promote him to coxswain, his pay for that grade would be \$38.40, and as he could not get any longevity until he had served as a coxswain for five years, the net result of his promotion was a loss of 60 cents a month. Every time a man got promoted under those circumstances his pay went down and he did not want to be promoted.

The CHAIRMAN. The next item is, "Longevity pay of 88 petty officers, \$2,591.60."

Capt. BERTHOLF. The same thing applies to the petty officers as to the warrant officers. Under the old law they could only count for longevity pay their service as petty officers.

The CHAIRMAN. The next item is, "Additional pay of 81 other enlisted men, \$645." That is the same?

Capt. BERTHOLF. Yes, sir.

The CHAIRMAN. What are they?

Capt. BERTHOLF. Seamen, firemen, stewards, boys, etc.

The CHAIRMAN. They did not have longevity pay?

Capt. BERTHOLF. No; not longevity pay, but they were allowed a dollar a month extra for every three years of service, and we construed that each period of three years had to be continuous in itself. The coast-guard law allows them to get this whether the service is continuous or not continuous—just dividing the total service by 3 gives the total amount of the extra compensation for length of service.

The CHAIRMAN. The next item is, "Pay of nine warrant officers (retired), \$3,883.15."

Capt. BERTHOLF. They are retired because they are 64 years of age.

The CHAIRMAN. Is their pay increased under the law?

Capt. BERTHOLF. In some instances, yes. They would get the benefit of longevity pay and then receive three-quarters of that pay on the retired list. Of course they would not get as much money on the retired list as they do now on the active list.

The CHAIRMAN. Does a man on the retired list get the benefit of the increase?

Capt. BERTHOLF. No, sir; not after he retires; everything stops then. Whatever his compensation is when he retires he gets three-quarters of that, and no matter how long he is retired he gets no other increase.

Mr. Sisson. Suppose a man serves one month after this law goes into effect, do you give him the benefit of the longevity?

Capt. BERTHOLF. I do not know that I understand that question. Mr. Sisson.

Mr. Sisson. For instance, a man remains in the service 10 or 11 years and then remains a month or two or three months under the new law, is he entitled to retire on account of age and get the longevity increase?

Capt. BERTHOLF. Yes, sir.

Mr. Sisson. For the balance of his life?

Capt. BERTHOLF. Yes, sir. These men who were retired had to be retired because they had attained the age of 64 years, and most of them over 64. They were retired at once.

Mr. Sisson. They get no longevity?

Capt. BERTHOLF. They will get the longevity, but it will not increase any more. In order to get the increase, you have to stay on the active list. For instance, a man gets \$70 a month, and if he has been in the service 10 years he will then get 20 per cent of that, \$14, which would make his compensation \$84 as long as he stays on the active list, and when he retires he gets three-quarters of \$84 for the rest of his life, but he will not get the 10 per cent increase any more. That does not accrue on the retired list.

The CHAIRMAN. For instance, a man may be on the retired list and his service has not been continuous, under this law he gets the longevity pay for all his service?

Capt. BERTHOLF. Do you mean, Mr. Chairman, will that increase the retired list pay?

The CHAIRMAN. Yes, sir.

Capt. BERTHOLF. That question has not come up. If it does, it will have to go to the comptroller.

The CHAIRMAN. The next item is "Pay of nine enlisted men, \$1,891.50."

Capt. BERTHOLF. They were retired, being 64 years of age.

The CHAIRMAN. They are on the retired list?

Capt. BERTHOLF. They are now. They were put on the retired list just as soon as the bill passed. Some of them were over 64 years of age.

LIFE-SAVING SERVICE.

The CHAIRMAN. Why do you use the term "Life-Saving Service" in the next item?

Capt. BERTHOLF. Because that is the title of the appropriation.

The CHAIRMAN. "For longevity pay of superintendents, as follows: Ten at \$2,200 (over 20 years' service), \$3,740." That is for the balance of the year?

Capt. BERTHOLF. Yes, sir.

The CHAIRMAN. "One at \$2,000 (over 20 years' service), \$340; one at \$2,000 (over 15 years' service), \$255; one at \$1,900 (over 20 years' service), \$323; in all, \$4,658." They average over 10 per cent increase?

Capt. BERTHOLF. Yes, sir.

The CHAIRMAN. The next item is, "For pay of five superintendents (retired), \$4,812.50."

Capt. BERTHOLF. That is the retired pay for the balance of the year.

The CHAIRMAN. They are just retired now?

Capt. BERTHOLF. They will be just as soon as confirmed by the Senate. They have not been yet, but probably will be within a week.

The CHAIRMAN. The next item is, "For longevity pay of 274 keepers, \$43,027." These items are the sums which are mandatory because of the new law?

Capt. BERTHOLF. Entirely mandatory.

The CHAIRMAN. And those sums amount to \$130,908.28 for the Coast Guard?

Capt. BERTHOLF. Yes, sir.

The CHAIRMAN. Is that about one-fourth?

Capt. BERTHOLF. The bill passed January 28, 1915, and it is for February, March, April, May, and June, a little less than five-twelfths, because some of the retirements and longevity pay will not accrue until the following year, and so we do not have to figure that. It is less than five-twelfths.

WEDNESDAY, FEBRUARY 17, 1915.

STATEMENT OF HON. ANDREW J. PETERS, ASSISTANT SECRETARY IN CHARGE OF CUSTOMS.

WAR RISK INSURANCE, REFUND TO UNITED STATES STEEL PRODUCTS CO.

The CHAIRMAN. The item in which you are interested is "War risk insurance: To pay the United States Steel Products Co. refund of a portion of premium on account of war risk policy No. 8, having ceased to cover on November 29, 1914, \$1,435.60."

Mr. PETERS. Mr. Chairman, the insurance was taken out on the steamer *Buenaventura* on September 17 for 90 days, and the policy issued contained a clause which provided that the assured was not to load contraband; the assured loaded copper, which, at the time the policy was written and at the time the vessel sailed, was not contraband. After the vessel sailed copper was declared by Great Britain to be contraband, so that the policy did not cover it. The assured thereupon insured in private companies and so from that time, November 29 to December 17, the policy was of no value to them. The money had already been turned into the Public Treasury, so that we could not refund it, and we are therefore asking this appropriation to pay back the amount due on the premium for the 18 days.

Mr. BARTLETT. How much was the full premium?

Mr. PETERS. \$7,178, or 2 per cent of \$358,900.

Mr. BARTLETT. Will the refund for the 18 days amount to this sum, \$1,435.60?

Mr. PETERS. Yes.

Mr. BARTLETT. How long did you insure it for?

Mr. PETERS. For 90 days.

Mr. BARTLETT. This is about one-sixth?

Mr. PETERS. About that; yes. We began business the first part of September, and this occurred at about the time we started. Since then the Division of Public Money has retained the premiums until

we are certain that there will be no return premiums due; they are retained until that time before they are covered into the Treasury.

The CHAIRMAN. The law requires you to cover them into the Treasury?

Mr. PETERS. Yes.

Mr. BARTLETT. Have they delivered the cargo on the other side?

Mr. PETERS. Yes.

The CHAIRMAN. If the law requires you to cover them into the Treasury, how can you give them back?

Mr. PETERS. Well, the money is retained until the amount of the premium is absolutely fixed. You see, the way they do business is this: The shipowner declares that he will have a certain amount on a vessel and later finds that the freight space available cuts down his amount so that he can load but a part of that which he originally expected to load. As the banks require documents prior to the completion of the loading, very often provisional amounts are declared and later reduced, which necessitates a return of premium.

The CHAIRMAN. Those policies are taken out to be effective from the time the ship sails?

Mr. PETERS. Yes.

Mr. BARTLETT. Is it a blanket policy?

Mr. PETERS. But in order to get their advance on the shipment the bankers require assurance that the war risk will be covered.

The CHAIRMAN. They issue binders?

Mr. PETERS. Yes. The bureau issues a letter which says that it will grant insurance on this cargo under certain conditions.

Mr. BARTLETT. And upon that the money is paid?

Mr. PETERS. Yes; and we will not do that until we get the premium on the largest amount which they are going to take.

Mr. BARTLETT. The policy does not state what particular goods are to be insured, but it insures the cargo.

Mr. PETERS. It usually specifies the goods.

Mr. BARTLETT. But it did not specify copper?

Mr. PETERS. Yes; at the time the policy was issued copper was not contraband, but after the policy had been written and after the boat sailed copper was declared to be contraband by Great Britain.

The CHAIRMAN. What happened was this: You issued a policy covering copper, but the provisions of your policy provided that you were not to cover contraband material.

Mr. PETERS. Not exactly; copper was not contraband at the time we wrote the policy or at the time the boat sailed, but after the boat sailed England declared copper to be contraband, which probably invalidated our policy. The policy covered the hull of the vessel, not the cargo; and one of its provisions was that contraband was not to be loaded.

The CHAIRMAN. Did they reinsure?

Mr. PETERS. Yes; they reinsured.

Mr. BARTLETT. They took out other insurance?

Mr. PETERS. Yes; they covered it from that time on in private companies.

Mr. BARTLETT. On copper and everything else?

Mr. PETERS. We only covered the hull.

The CHAIRMAN. And this is to cancel the policy?

Mr. PETERS. This is to repay them for the rest of the time; that is, they had to reinsure after this copper was declared contraband, and they want to get back the premium from the date when copper was declared to be contraband.

The CHAIRMAN. What I mean is, did they notify the bureau at that time—

Mr. PETERS (interposing). We notified them.

The CHAIRMAN. That the policy would not cover it?

Mr. PETERS. Yes; we told them it was doubtful.

The CHAIRMAN. And on your notification they took out reinsurance?

Mr. PETERS. Yes, sir.

The CHAIRMAN. This, then, would be what is called the unearned premium?

Mr. PETERS. Yes, sir. They claim, very naturally, of course, that they should not be obliged to pay the premium in full; that they should get back the premium from the date when copper was declared to be contraband.

Mr. BARTLETT. And you notified them, so you would not be liable in case it was seized?

Mr. PETERS. Yes; we called their attention to the wording of the policy.

The CHAIRMAN. Could you give us a statement as to the business done by that bureau?

Mr. PETERS. Yes, sir. The bureau commenced business on September 2, 1914, and up to February 16, 1915, it had issued 907 policies; the total amount insured is \$54,604,264, and the premiums so far paid are \$1,452,706.75. Of this amount the earned premiums are—

The CHAIRMAN (interposing): What do you mean?

Mr. PETERS. I mean, where the risk has ended; the earned premiums on \$23,485,736—

The CHAIRMAN (interposing). That amount does not represent the unearned premiums, does it?

Mr. PETERS. I refer to the earned premiums on that amount of insurance; the earned premiums on \$23,485,736 are \$595,572.34. The expenses of the bureau to February 16 are: Salaries, \$5,436.73, and supplies, printing, telegraph, etc., \$1,329.30, a total of \$6,766.03.

The CHAIRMAN. What have your losses been?

Mr. PETERS. There have been no losses.

The CHAIRMAN. Have any claims been made for losses?

Mr. PETERS. No. Notice has been given us that claims might be presented in the case of vessels which have been taken into port. No claim has yet been made and comparatively small sums would be involved.

Mr. BARTLETT. The amount asked is the proportion of the unearned premiums due by reason of the fact that you notified them that in case of loss you would not be responsible because copper had been declared to be contraband?

Mr. PETERS. Yes, sir.

Mr. BARTLETT. And by reason of that fact they were compelled to take out other insurance?

Mr. PETERS. Yes, sir.

Mr. BARTLETT. They would not have been compelled to do that if you had still continued to insure the risk?

Mr. PETERS. No.

The CHAIRMAN. The war risk insurance act provides that the proceeds from the premiums shall be paid into the Treasury, and these were paid very promptly?

Mr. PETERS. Yes.

The CHAIRMAN. You said there was some different arrangement now by which, when a complication occurred, you could take care of it.

Mr. PETERS. Yes; in order to conduct the business return premiums have to be made because the shipowner very often takes out insurance on more cargo than he is able to get on the boat, and before the banks will loan him any money he is obliged, in addition to his marine insurance, to show them that he has already covered his cargo with the war risk insurance. Then we make him pay the premium when we bind the insurance. Then he finds that he can not get on the boat the full cargo which he has insured, so he asks for the return of the premium before the boat sails, so that he will only pay a premium on the amount of cargo which he is able to get on the boat.

The CHAIRMAN. Do you limit the amount of insurance that you issue on any boat?

Mr. PETERS. Yes.

The CHAIRMAN. In what way?

Mr. PETERS. Originally we limited the total amount of insurance on any one boat and cargo to \$300,000. That amount has been increased, however, so that now we will write as much as \$1,000,000 worth of insurance on a boat and cargo. That, however, is the limit.

Mr. BARTLETT. Do you insure the boat as well as the cargo?

Mr. PETERS. Yes.

The CHAIRMAN. How is that apportioned?

Mr. PETERS. According to the demands which come on us.

The CHAIRMAN. I know; but there was some complaint that the insurance which was issued was controlled through certain channels and that the average applicant never had a chance to get any.

Mr. PETERS. We are extremely careful to guard against that, Mr. Chairman. Some difficulty arose after we had been insuring for a short time. Some very ambitious insurer would find out when a boat was going to sail. He would then come to us and tell us that he had \$800,000 worth of cargo, or some other sum, and he would get the insurance on it, when, as a matter of fact, he did not have it. Then he would try to peddle that out; but as soon as we discovered that we required evidence that a man actually owned the cargo on which he wanted insurance.

The CHAIRMAN. Do you apportion the amount that you issue among the shippers who make demands upon you?

Mr. PETERS. We try to do so. We do not let any one person control all the insurance on a mixed cargo and we try to do everything as fairly as we can. Of course, it is impossible to absolutely prevent it, but I do not think—

The CHAIRMAN (interposing). Are there many complaints of that character now; that is, that some of these shippers, by reason of having allotted to them a large amount of insurance, have been in a position to market that insurance for their own benefit?

Mr. PETERS. Not since we have increased the amount which we take. We now take as much as \$1,000,000, and since we have been doing that there have been no complaints. Originally we did not take as large amounts of insurance, but that was when we had fewer risks and when we were more cautious about the amounts we would take on any one cargo. If the situation warrants it we will go up to \$1,000,000, and since we have been willing to do that I do not think there is any chance of any one person getting all of our insurance, but before that time there was some danger of one person getting all of our insurance.

The CHAIRMAN. I asked you about the steps which had been taken to avoid the necessity of making appropriations to meet these adjustments on premiums; that is, premiums that might not be earned and which should be refunded.

Mr. PETERS. All checks now received by the bureau are certified and made payable to the Treasurer of the United States; upon their receipt they are surrendered to Mr. Burke, Treasurer of the United States, who in his turn passes them to the Division of Public Moneys. At this point they are held until the bureau checks up the transaction and tells them to pass on the checks into the funds.

The CHAIRMAN. Do you wait until the premiums are fully earned before you do that?

Mr. PETERS. It depends on the different circumstances, but usually as soon as the boat ends her voyage or the cargo is delivered.

The CHAIRMAN. This was an unusual case in that the material was declared to be contraband after the boat sailed?

Mr. PETERS. Yes; and, as a matter of fact, Mr. Chairman, we did not do it in that way at that time.

The CHAIRMAN. This would be an unusual situation even under your present arrangement?

Mr. PETERS. Yes.

Mr. SISSON. What is the commercial rate for war insurance on cotton?

Mr. PETERS. When the war first broke out there were about 36 companies which were doing a commercial business; of those 36 companies, 16 or 17 were English companies. The English companies were, by their law, forbidden to give insurance against anything which the English Government might do.

Mr. SISSON. I do not catch that exactly.

Mr. PETERS. The English companies were forbidden to insure against any accident or against any risk arising from an act of the British Government—that is, they could not insure against capture or confiscation by England.

The CHAIRMAN. That is because the Government was insuring a part of the risk?

Mr. PETERS. Not necessarily, but because of an English law which provided against it. Then there were several German companies. The German companies were commercially unavailable on account of the closing of communication between this country and Germany, and the financial difficulties were such that their policies would not be acceptable to our banks at that time. The remaining American companies, while very strong, could do only a very small proportion

of the business, and without reinsurance. They were overcautious with war risks, as they had the whole of the market. So they made rates of 8 and 10 per cent, and sometimes more, and they could only write in amounts of perhaps \$150,000 on any one vessel at any one time, at any rate, amounts very much below what would be required to move an ordinary cargo. However, as soon as the war-risk insurance bureau came into the market immediately the rates were lowered.

Mr. Sisson. Did that affect the English rates?

Mr. PETERS. They are now about 2 per cent. While we do not always take the whole of the cargo, we take a sufficient proportion of it to compel all the outside insurance companies to meet our rate. After a short time people came to us and requested us to bind insurance on cargoes which they did not mean to ship. Originally we started to limit the amount of insurance to \$300,000 on one cargo. Then we discovered that some people would get practically all of the insurance on a cargo and hold up the other shippers. We met that by first refusing to let any one person have all of the insurance. When complaint was made by any one that they were unable to get insurance on a cargo we would go to the person in whose name the insurance stood and ask him to prove that he had the goods to cover it, and then we raised the limit up to \$1,000,000, and since then we have had no complaints.

Mr. Sisson. How do your cotton rates compare with rates on grain and other things?

Mr. PETERS. They are the same. When the question came up of shipping cotton to Germany, of course, it was difficult to determine a rate, because nothing of the kind had been done since the commencement of the war, but we made a rate of 5 per cent, which was very readily paid by the shippers. After a few boats got through to Bremen we lowered the rate from 5 per cent to 3 per cent, and to Holland and Rotterdam we made it 2 per cent. As a result of this insurance we have enabled the shippers in American vessels to get as low insurance as—

Mr. Sisson (interposing). As they get in English vessels?

Mr. PETERS. Yes. It would have been impossible to do anything without it, and partly as result of this there has been transferred to the American flag since August 129 vessels of a total tonnage of 465,740 gross tons. The total tonnage to-day of vessels engaged in the foreign trade under United States registry is 1,536,412. This is an increase of nearly 40 per cent.

Mr. Sisson. Forty per cent of the present tonnage or of the tonnage prior to the act?

Mr. PETERS. Of the present tonnage. I will try to put that figure in. The aim has been to give the shipper every facility we could for helping him move the products out of this country.

Mr. Sisson. I think you stated that there had been no loss?

Mr. PETERS. No. As the banks, in order to make loans, absolutely required the war-risk insurance, the American commerce would have been very severely handicapped had it not been for the work which the bureau has done.

The CHAIRMAN. Is there anything else, Mr. Secretary?

Mr. PETERS. No.

WEDNESDAY, FEBRUARY 17, 1915.

STATEMENT OF MR. WILLIAM P. MALBURN, ASSISTANT SECRETARY.

DENVER, COLO., MINT—CONTINGENT EXPENSES.

The CHAIRMAN. On page 8 there is an item for the Denver, Colo., mint: "For incidental and contingent expenses, including new machinery and repairs, wastage in melting and refining department and coining department, and loss on sale of sweeps arising from the treatment of bullion and the manufacture of coin, fiscal year 1914, \$7,395.97." The appropriation is \$35,000. Is this an actual deficiency for 1914?

Mr. MALBURN. Yes.

The CHAIRMAN. Due to what?

Mr. MALBURN. It is due to a deficit in the bullion account of 381.317 fine ounces of bullion of the value of \$7,882.52, which is wastage and which is recognized by law. It is chargeable to incidental and contingent expenses, but the contingent appropriation was exhausted, or almost exhausted, except for about \$500, so that there is a deficiency of \$7,395.97.

The CHAIRMAN. It is largely a matter of bookkeeping?

Mr. MALBURN. No; it is an actual loss. The law recognizes, I think, one-tenth of 1 per cent wastage in coining, and while that is a large allowance, it is impossible to produce the actual amount of gold in the coins, that is, to turn out the actual amount of gold in the coins, because there is always some small amount of wastage. The wastage in the Denver mint in 1912 was about 73 ounces; in 1913, it was 26 ounces, and this is 381.317 ounces, much larger than usual, but it is only about one-eighth of the amount which is allowed by law.

The CHAIRMAN. Is it due to a larger amount of coinage?

Mr. MALBURN. No; it is due to this fact: That in June, 1913, Mr. Wirth, who had been superintendent of the refinery at the Denver Mint, was transferred to the assay office at New York and his assistant was promoted to his position, and it is believed that owing to his unfamiliarity with the work, and his not being such an experienced workman as Mr. Wirth, a large part of this loss occurred. I took up this matter with Mr. Roberts when he was director of the mint, and he told me he was satisfied there was no question of any wrongdoing there at all, and that it was just a question of the gold going off in fumes, the gold being somewhat volatile and that some of the solution would be spilled or splashed if a person is not very careful, and he thinks it is easily accounted for in that way.

The CHAIRMAN. Has the experience of this fiscal year indicated that there would be that much loss?

Mr. MALBURN. I do not think that they are able to tell until the end of the year, when they come to take their inventory, whether there has been any loss or not.

The CHAIRMAN. This was payable out of the appropriation of \$35,000 for incidental and contingent expenses?

Mr. MALBURN. Yes; if we had had enough money in this appropriation this loss would have been paid out of it, but because we did not have enough money we had to ask for a deficiency appropriation. It is properly chargeable to that appropriation, however.

Mr. Sisson. Did you say that some of the gold was volatile?

Mr. MALBURN. The gold, of course, is more or less volatile when it is being refined and when it is being melted.

Mr. Sisson. In what state would it be volatile?

Mr. MALBURN. In the state of fumes which go off; I do not suppose they carry off very much, but there are a great many things of that kind which Mr. Roberts informs me it is very necessary to watch; that it is very easy to lose that which in the aggregate amounts to considerable, and that loss is apt to occur unless particular attention is paid to every little detail in the assaying and in the coining. It was his idea that this new man, who took charge there just at the beginning of the fiscal year, by reason of his inexperience, was probably to blame for this, and it is his idea that the man is now sufficiently experienced to avoid this loss and that he will not lose that amount any more.

Mr. Sisson. I did not know that gold would ever become volatile or that it would evaporate.

Mr. MALBURN. I think it does. You know the gold is put into a solution of acids and there are always a lot of fumes from those acid and it must be that they carry off some of the gold in that way.

Mr. BARTLETT. That only accounts for a part of this amount. You refer here to new machinery and repairs.

Mr. MALBURN. That is the language of the appropriation.

The CHAIRMAN. This is entirely due to the wastage?

Mr. MALBURN. Entirely.

Mr. Sisson. How much was the total loss over and above this 7,395.97?

Mr. MALBURN. The total was \$7,882.52.

Mr. Sisson. And you had an unexpended balance in the former appropriation?

Mr. MALBURN. Yes, sir.

The CHAIRMAN. Did I understand you to say that in coinage the wastage allowance is one-tenth of 1 per cent?

Mr. MALBURN. One-tenth of 1 per cent, and this is about one-eighth of one-tenth of 1 per cent.

The CHAIRMAN. And one-tenth of 1 per cent is the legal allowance?

Mr. MALBURN. Yes, sir.

The CHAIRMAN. How much was coined that caused this loss?

Mr. MALBURN. About \$62,000,000.

Mr. Sisson. That cost the total amount?

Mr. MALBURN. Yes, sir; \$7,882.52.

WEDNESDAY, FEBRUARY 17, 1915.

INDEPENDENT TREASURY, CONTINGENT EXPENSES.

STATEMENTS OF MR. WILLIAM P. MALBURN, ASSISTANT SECRETARY, AND MR. E. B. DASKAM, CHIEF DIVISION OF PUBLIC MONEYS.

The CHAIRMAN. We have before us an item, "For contingent expenses, Independent Treasury, including the same objects specified under this head in the sundry civil appropriation act for the fiscal year 1915, \$20,000." Your appropriation is \$185,000?

Mr. DASKAM. Yes, sir.

The CHAIRMAN. This is the expense of shipping coin principally, but also United States notes?

Mr. DASKAM. Also whatever is needed by the different subtreasury officers when they make requisitions.

The CHAIRMAN. How much has been expended up to date?

Mr. DASKAM. Up to January 31, 1915, \$142,838.14, leaving an unexpended balance for the next five months of only \$42,151.86.

The CHAIRMAN. Last year you expended about \$265,000?

Mr. DASKAM. Yes, sir; that was on account of the big gold shipments.

The CHAIRMAN. This is an appropriation to meet accounts that are rendered for services of transportation?

Mr. DASKAM. For transportation of the different denominations of money.

The CHAIRMAN. This appropriation is to meet the cost of transportation?

Mr. DASKAM. Yes, sir; that is, the bulk of it.

The CHAIRMAN. You think you require the additional \$20,000?

Mr. DASKAM. Yes; because we have got to make two or three examinations and we want to transfer a lot of minor coins now in the subtreasuries and which should go to the mint for recoinage.

The CHAIRMAN. Does that cover the cost of the examination of the subtreasuries themselves?

Mr. DASKAM. Yes; we want it to do so.

The CHAIRMAN. But does it?

Mr. DASKAM. It is the same appropriation.

The CHAIRMAN. Why are these examinations made?

Mr. DASKAM. The law requires it.

The CHAIRMAN. How frequently?

Mr. DASKAM. Well, we use our own time for that; we do not have any regular time, but we make an examination at least once between the four-year term of assistant treasurers. It is the policy now, however, to examine them even oftener than that, about once a year. But we always examine when there is a change in assistant treasurers.

The CHAIRMAN. Are you changing them now?

Mr. DASKAM. We have changed five. There are nine in all.

RECOINAGE OF GOLD COINS.

The CHAIRMAN. The next item is "For recoinage of light-weight gold coins in the Treasury, to be expended under the direction of the Secretary of the Treasury, as required by section 3512 of the Revised Statutes, \$4,000."

Mr. DASKAM. We like, when we make an examination of the subtreasuries, to transfer at that time all of the light-weight gold coins to the mints for recoinage. When they go to the mints for recoinage they recoin them when they please. When they do please to recoin them we have to pay the loss from this appropriation.

The CHAIRMAN. Is that the time they are sent for recoinage?

Mr. DASKAM. Yes. Sometimes it happens that the mints can not recoin right at the time they are sent, because they are running on some other coins.

The CHAIRMAN. You mean when they are taken from the sub-treasury?

Mr. DASKAM. Yes. Whenever we make an examination, we think that is the best time to send in all light-weight gold.

The CHAIRMAN. If I were to present \$100,000 in gold at the sub-treasury and it consisted entirely of gold coins that had been worn in excess of the legal tolerance, they would take them but—

Mr. DASKAM (interposing). They would take them and count each piece; they would weigh every piece of gold that would be in the \$100,000.

The CHAIRMAN. And deduct how much?

Mr. DASKAM. Four cents for each grain.

The CHAIRMAN. Below the legal tolerance?

Mr. DASKAM. Yes, sir. Up to 20 years of ordinary wear it is supposed that a gold coin will not deteriorate more than a quarter of 1 per cent, and after that it is only legal tender under the law in proportion to its actual weight.

Mr. BARTLETT. Did you say a quarter of 1 per cent?

Mr. DASKAM. Yes. If you put in a \$10 gold piece and it is below weight, we only give you \$9.96 for it if it is 1 grain light.

Mr. Sisson. In other words, when you take the gold into the Treasury you simply pay the actual gold value?

Mr. DASKAM. Yes, sir.

Mr. Sisson. And it is not permitted to go out were—

Mr. DASKAM (interposing). If it is below weight, we would not dare to put it out.

Mr. Sisson. And this money is for the purpose of paying that difference, is it?

Mr. DASKAM. Yes, sir. When the mint will show a loss they notify the Treasurer and he asks us to reimburse him from this appropriation. This appropriation is really a small amount.

Mr. Sisson. As a matter of fact, there is no loss to the Government at all; it is simply a bookkeeping matter?

Mr. DASKAM. Yes. But when we have to take it and can not put it out again, then there is a slight loss.

RECOINAGE OF MINOR COINS.

The CHAIRMAN. The next item is "To enable the Secretary of the Treasury to continue the recoinage of worn and uncurrent minor coin of the United States now in the Treasury or hereafter received, and to reimburse the Treasury of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin, \$9,000." You had \$10,000.

Mr. DASKAM. Yes. There is a lot of minor recoinage at the mints already that they have not attended to.

The CHAIRMAN. Larger than is usual?

Mr. DASKAM. Yes.

The CHAIRMAN. You state that the uncurrent minor coins at the mint aggregate \$72,174.31. How do you get 31 cents in these minor coins?

Mr. DASKAM. One cent you know is a unit. That is on the report of the mint. They state that at the close of business there was \$72,174.31.

The CHAIRMAN. Is there a demand for that minor coin?

Mr. DASKAM. There is a constant demand, and if they coin these up they will not have to make so many new ones.

The CHAIRMAN. It appears that in the subtreasuries there are \$93,560 worth uncoined.

Mr. DASKAM. Yes, sir.

The CHAIRMAN. Which makes over \$165,000.

Mr. DASKAM. Yes, sir.

The CHAIRMAN. Is that a large sum, a small sum, or an average sum?

Mr. DASKAM. It is an accumulation.

The CHAIRMAN. How does it compare with your average? Have you increased your accumulation?

Mr. DASKAM. I do not know just how long that amount has been at the mint. You know they used the appropriation as far as it would go and then there was left that much, \$93,560. The several subtreasuries now hold \$93,560 in uncurrent minor coins. The mint at Philadelphia reports as on hand for recoinage \$72,174.31, making a total of \$165,734.31 in uncurrent minor coins. The statement shows a loss of \$9,893.48 upon the recoinage of approximately \$185,000 in uncurrent minor coins. I suppose the loss will run on just about that way. We transfer them from the subtreasuries to the mint, and then the mint recoins when they please; if they are running on a different kind of coins, they will not touch those for a long time.

Mr. MALBURN. I think they have been accumulating for several years, and we have exhausted the appropriation each year without being able to recoin all of the short coins.

The CHAIRMAN. What I had in mind was whether there has been such a necessity for these minor coins as would necessitate the recoinage of them more rapidly.

Mr. MALBURN. No; I do not think there has been such a necessity. I do not think there has been any more of a demand than we have been able to supply with current coins.

Mr. SISSON. This is not an urgent deficiency, then?

Mr. MALBURN. It is a general deficiency.

Mr. SISSON. Does it cost \$9,000 to recoin \$165,000 worth of minor coins?

Mr. MALBURN. Yes, sir.

Mr. SISSON. That seems to me a rather heavy overhead charge.

Mr. MALBURN. I think that in recoinage pennies they cost more than the pennies are worth themselves. Yet that is the only thing we can do with them if they are there, except to carry them as dead weight.

Mr. DASKAM. They are still to the credit of the Treasurer and form a part of his cash, but they are dead weight, as Mr. Malburn says, unless we can use them, because we can not pay them out and we can not transfer them. It is only a question as to when you will recoin them, and we can only recoin them as fast as you give us the appropriations with which to do it. You cut down the appropriations for minor recoinage for two or three years and gave us less than we have asked for.

THURSDAY, FEBRUARY 18, 1915.

INTERSTATE COMMERCE COMMISSION.

STATEMENTS OF MR. JAMES S. HARLAN, CHAIRMAN; MR. C. A. PROUTY, DIRECTOR OF VALUATION; MR. GEORGE B. M'GINTY, SECRETARY; AND MR. GEORGE F. GRAHAM, DISBURSING CLERK.

The CHAIRMAN. The first item in which you gentlemen are interested is "General expenses," and your appropriation is \$910,000, and you are asking for \$125,000 additional?

Mr. HARLAN. Yes, sir. You desire to know the basis for that request?

The CHAIRMAN. Yes, sir; the reasons for it.

Mr. MCGINTY. During the year ending December 31, 1914, there were filed 1,169 formal complaints, as against 1,030 for the preceding year, an increase of 139. During the year there were 35 special investigations, 8 of which were in response to resolutions of the Senate, one was a continuing investigation in response to a joint resolution of the Senate and the House, three were upon the requests of the Committee on Interstate and Foreign Commerce of the House, and 23 investigations were ordered specially by the commission in various important matters. During the last four months—

The CHAIRMAN (interposing). You are speaking of the calendar year 1914?

Mr. MCGINTY. Yes, sir; the year ending December 31, 1914. The increase in expenditures was caused almost entirely by these formal complaints and investigations and the necessity for additional hearings. During the last four months of last year the commission conducted 815 hearings, as compared with 543 hearings during the same four months of the preceding year, an increase of 270 hearings. The commission during January of this year held 184 hearings, as compared with 55 held during January of last year.

The CHAIRMAN. What is the nature of these hearings?

Mr. HARLAN. They are complaints about rates, practices, or discriminations. Most of them involve rate schedules that are more or less extensive, and many of them involve rates between particular points.

The CHAIRMAN. Is the number of complaints increasing?

Mr. HARLAN. Yes; they have increased very largely during the last 12 months.

The CHAIRMAN. Is there any special reason for that?

Mr. HARLAN. The times have been hard and merchants' profits have been reduced, and looking around for methods to get on a better basis many merchants have looked into their rates critically. I have been told that a number of times.

The CHAIRMAN. Is it due in any way to more extensive organization among them?

Mr. HARLAN. Yes. All the large commercial centers within the last two years have formed shippers' organizations, having expert rate men and so-called traffic managers. Those men, in order to justify their employment, of course, are constantly investigating rates, particularly with a view to ascertaining what discriminations there

may be against that point or what discriminations a shipper of a particular commodity from that point may be suffering when compared with the rates on the same commodity from a competing point.

The CHAIRMAN. With this large increase in the number of complaints, are they found to be of a substantial or trivial character?

Mr. HARLAN. Well, I do not think we have many complaints that are not sincerely brought and earnestly urged, but we dismiss a great many complaints on the facts that are adduced of record. I do not know that any estimate has been made of the number of complaints that result in relief, as compared with the number of complaints that result in dismissals. There are a few complaints that are brought by wholly uninformed shippers, and those complaints are without any merit. But that is a relatively small proportion of our litigation.

Mr. SISSON. How would your expenses be materially increased by the number of hearings?

Mr. HARLAN. Well, in one way, by having to increase our corps of men to handle them.

Mr. GRAHAM. There was an increase of 21 in the chief examiner's force.

Mr. SISSON. You had 21 additional examiners last year?

Mr. HARLAN. Yes, sir. If you are not familiar with our practice I will say that these men are something like masters in chancery; they take the testimony at different points in the country, make up a record in that way, and on that record the arguments are made before the commission or the issues are submitted on briefs.

The CHAIRMAN. What is the average compensation of an examiner?

Mr. HARLAN. Those salaries range from \$1,860 to \$5,000. There are several at \$1,860 a year; the senior examiners get \$5,000, and the range in between there. Most of them get from \$2,640 to \$3,000.

The CHAIRMAN. That would be about the average?

Mr. HARLAN. Yes. There are several who are very superior men. They handle the more important cases and are men who have been drawn from the bar, and they are paid salaries of \$5,000.

Mr. MCGINTY. There were 129 cases entered on the docket during January just ended. On that basis for the year there will be 1,548 formal cases filed with the commission, as against 1,169 last year. We do not know, of course, that it is going to keep up at that rate. This has necessitated the employment not only of additional examiners, but additional clerical people, rate experts and accountants, to make the investigations, a total of 60 additional employees, at an increase in salaries per annum of \$149,740. Our expenditures from July 1 up to December 31 were \$36,000 in excess of the allotment for the first six months. Taking January, just ended, we are \$11,500 over the allotment for the month of January, and to June 30 of this year, on that basis, would make \$69,000, which, added to the \$36,000 for the first half, would make a total of \$105,000 required as an emergency appropriation. We are asking for \$125,000.

The CHAIRMAN. What is the policy of the commission—to increase its force with the number of complaints so as to keep up with them, or just how do you operate?

Mr. HARLAN. Well, Mr. Chairman, we have not a defined policy of increasing our force with the number of complaints, but we do increase it as the necessities of our work require. Of course the commerce of the country must move and it is very important that we should keep

reasonably abreast of our work, and we are more abreast of it than is commonly understood.

The CHAIRMAN. I was going to ask about what can be said as to your work being current. How long would it take, if a complaint were made about a rate, to make the investigation, have the hearing, and reach a conclusion? I do not mean in an extreme case, but the average complaint that might be made?

Mr. HARLAN. That is a rather difficult question to answer. We have many hundreds of complaints about rates on what we call our special or informal docket that are disposed of in a matter of weeks. Where a case is well contested on both sides it is a matter of months. It is difficult to tell—

The CHAIRMAN (interposing). Is there any general complaint that the time taken to decide these complaints is unreasonably long, or is there any dissatisfaction about it?

Mr. HARLAN. I do not know that much complaint of that kind has reached the commission, but I have seen comment of that nature in the papers. To illustrate just what I have in mind, I recently had a letter from the president of a railroad company referring to a matter the disposition of which had been delayed in the commission. He did not know that we were troubled and had been troubled in that case by a very serious question arising out of one of the decisions of the Supreme Court that presented an unusual difficulty, and in looking up some of the cases in which his company was concerned I found that in numerous instances the attorneys of that company, after the case had been set for hearing, had requested delays. Now, I have this impression, that if we made a careful examination of our records we would find in a very substantial proportion of our cases that either one side or the other had requested a delay because of engagements in the courts or sickness or matters of that kind. We are constantly met with requests for delay, but many of them we deny, I guess most of them, even when the conditions make it seem somewhat harsh, because it is our general policy to press the cases along for hearing. When a complaint is filed it is first very carefully examined by clerks who are experts in the form of complaints. If they are lacking in some particular, if the right railroads have not been made parties, attention is at once called to that fact, but the moment the complaint is proper shape for filing we at once serve it, and then when the answers are in as promptly as possible we take up that complaint for hearing.

The CHAIRMAN. How long a time is given to file an answer?

Mr. HARLAN. Twenty days is the time given in which to file an answer, and then the moment the case is at issue, at the first convenient time, it is set for a hearing. Now, I venture to say that in a very substantial number, possibly as many as half of our cases, when they are set for hearing, we either have a request from the carrier for delay or a request from the shipper himself for delay, and that is largely responsible for the little comment I have seen in the press about the deferred disposition of some of our cases. Of course, I ought to say, very frankly, that sometimes a case of great complication will become a sort of snag with the commission, as occasionally happens in the courts. One commissioner will not be quite satisfied with the conclusion proposed by another and, as other matters are pressing for disposition, we lay it aside for further deliber-

ation. It comes up again, we go over the thing again, and finally there is some considerable delay. But that happens with a relatively small number of cases.

Mr. Sisson. The things which bring about delays in cases in the Supreme Court and other courts may cause delay in your body?

Mr. HARLAN. Yes; but I believe I do not exaggerate the case when I say that our business is dispatched—taking it as a whole—with more promptness and with less delay than you will probably find in any department of Government. We have an enormous daily mail in regard to what we call informal complaints, and those complaints are disposed of with great rapidity.

Mr. McGINTY. May I state that during the last year we informally disposed of approximately 15,000 complaints. These were taken up in an informal friendly way with the carriers and disposed of satisfactorily to the complainants and defendants, without which procedure many of them would have resulted in formal complaints and considerable expense to the commission and the parties interested.

The CHAIRMAN. That is, if some one writes a letter you take it up with the carrier and adjust the matter with satisfaction to the parties?

Mr. HARLAN. Yes. Those complaints not only involve rates but also involve reparation, and we deal, sometimes, with very large amounts of reparation on that special docket. Now, Mr. Chairman, you asked a little while ago what the explanation was for the increased number of complaints, and I referred to the commercial depression and the fact that merchants are looking into their rates more than they used to look into them. I want to say also that there is another side to that. The same commercial depression affects the revenues of the carriers, and the carriers have been making a very close examination of their rates, and we have had a great many tariffs filed that increased the rates. When those rates are increased we very often receive protests from merchants and we suspend them in a great many cases, but a great many increased rates have been permitted to go into effect without suspension. But every order of suspension amounts to a formal case, because under the law we must hear witnesses, make a record, and investigate and dispose of it as we would dispose of a formal complaint. It takes precisely the same course as a complaint after the order of suspension has been entered. A great many of the increased number of cases are what we call I. & S. cases, that is, cases on the investigation and suspension docket. They take precisely the same course.

Mr. Sisson. May I ask you whether all of these examiners are on a salary by the year?

Mr. HARLAN. Oh, yes; all of them.

Mr. Sisson. You have no special examiners who might be appointed to examine into a specific case?

Mr. HARLAN. No; we have never had any examiners of that kind.

Mr. Sisson. Do you generally keep all of these examiners busy the entire year?

Mr. HARLAN. Oh, yes; they are a very busy lot of men. I want to say this for our examiners, and it is true of the commissioners, that they have no office hours; you will find the examiners there every night of the week, including Sundays, and it is the same way, to some extent, with the commissioners, although you will not find the commissioners in the office at night very often.

Mr. Sisson. Of course, the expenses of these examiners are paid?

Mr. Harlan. Yes; the necessary transportation expenses and under the recent provision, subsistence expenses not to exceed \$5 per day.

Mr. Sisson. Do these examiners pay their railroad fares?

Mr. Harlan. Yes; at the regular tariff fares.

VALUATION OF CARRIERS.

The CHAIRMAN. For the valuation of property of carriers you are asking \$400,000. We gave you \$1,900,000.

Mr. Prouty. As I have already said to you, that was \$600,000 less than I told the commission we ought to have, and \$600,000 less than I told you we ought to have for the year. I said to you that on July 1, 1915, we ought to be covering approximately 50,000 miles a year, and at the rate of 50,000 miles a year we should have developed our force to that point where we would require probably \$2,500,000, and you gave us \$1,900,000. Now, the matter has turned out about as I expected it would, and the situation is this: We have an overhead organization which costs us between \$450,000 and \$500,000 a year in all departments. We have at the present time 8 field parties and in the month of January we covered 2,007 miles of main line single track. There are 250,000 miles, roughly speaking, in the whole country, and if we had 8 additional field parties we would cover, approximately, 4,000 miles a month, or 48,000 miles a year, at the rate we ought to move by the 1st of next July. Our overhead organization would support 16 field parties, and we ought to have that many parties in order to prosecute the work economically and have it fully developed up to that point. Now, in order to develop it up to that point it would take \$400,000, and I doubt whether that will be sufficient, but then it will do approximately that.

The CHAIRMAN. The purpose of this money is to enable you to enlarge or increase the number of field parties?

Mr. Prouty. Yes, sir; we are ready now to increase the number of our field parties.

The CHAIRMAN. You now have eight?

Mr. Prouty. In each district, making 40 in all.

The CHAIRMAN. Eight in each district?

Mr. Prouty. Yes; making 40 field parties in all, and we ought to double that number of field parties.

Mr. Sisson. And that would not increase your overhead charges?

Mr. Prouty. No, sir; not at all.

Mr. Sisson. And the sooner you complete the work the less money it will cost?

Mr. Prouty. Yes, sir.

Mr. Sisson. And the more valuable your data will be?

Mr. Prouty. Yes, sir.

The CHAIRMAN. Will this \$400,000 enable you to double your field parties by the 30th of June?

Mr. Prouty. Well, it would if we knew that we were going to have it. The embarrassment is that unless we know we are going to have this money we can not possibly know what to do. We have to get these men through the Civil Service Commission. In the first place we have got to get authority from the commissioners, which takes several days, and then we have to get our certificate from the Civil

Service Commission; then we have to see these men to be certain we are getting good men, and a man is almost always employed by some person and it is necessary to give 30 days' notice. The result is, from actual experience, that it takes about 60 days to organize a field party. Now, if we do not know before the 4th of next March, or if Congress adjourns without our knowing that we are going to have this additional money, we would not dare to proceed because we can not go on the theory that we are going to have it. We had spent up to the 1st of January one-half of our appropriation, less \$15,000, and we spent in the month of January probably \$7,000 more than the pro rata monthly proportion of our expenditure and we shall expend a little more than that, perhaps, in February. So that on the 1st of March we will have spent just about our pro rata expenditure up to that time, and we will be actually spending at the rate of about \$19,000 a month more than our appropriation.

The CHAIRMAN. You will know pretty soon whether you are going to get this by the 4th of March.

Mr. PROUTY. That is what is troubling me.

The CHAIRMAN. If it does not pass by the 4th of March, you can make up your mind that you will not get it in time to be of any use to you.

Mr. PROUTY. That is what I am afraid of.

Mr. Sisson. The question is asked repeatedly by Members of the House when this work is going to be completed.

Mr. PROUTY. Well, I have said that if we had the money we would, on July 1, be surveying these roads at the rate of 50,000 miles a year; we would have done up to that time approximately 25,000 miles, and in four years we should have completed substantially all of our surveys. It will take some time after that to clean the thing up, but the bulk of the work ought to be done in four years succeeding July 1 next.

The CHAIRMAN. It is a question whether that is the simplest or the most difficult part of the work. After you finish the surveys the trouble commences?

Mr. PROUTY. I will tell you what we do. This is my part of it: We give the cost of reproduction and depreciation. Now, that is what we are doing, and the commission has to take those figures and say what the value of a road is. How long that will take them I do not know.

Mr. Sisson. Of what value will this valuation be in fixing rates, if the matter is not determined for five years after the original surveys were made?

Mr. PROUTY. In applying the price we will not apply the price of to-day, but the price determined by the average of a 5-year period or, possibly, a 10-year period. This information will be gathered in such a way that a different price could very readily be applied. The law requires us to keep up to date with this information. Now, if we applied a five-year price from 1910 to 1914, inclusive, and if in six years from now you wanted to apply a five-year price from 1915 to 1919, inclusive, you could do that. You could take the quantities and could apply the price.

Mr. Sisson. Well, now, a railroad that is to-day in splendid condition as to its roadbed and rolling stock might in 12 months from to-day be in bad condition?

Mr. PROUTY. Well, hardly.

Mr. SISSON. You take the Illinois Central road, which is a splendid one, and goes right down through the center of my State, and in the fall of the year, after the weather has been good for working, the road is in splendid condition; then the winter rains and spring freshets come on and wash it all to pieces and they have all of the work to do over again. So it is a very difficult matter to determine the exact value of the road, and what is in the minds of a great many Members of Congress—as it is discussed around the cloakrooms and sometimes crops out on the floor—is this: Of what value will this be unless you can keep up with it, certainly each year, and with what accuracy will you be able to determine the condition of the roads without resurveys?

Mr. PROUTY. Without taking into account a flood such as they had in Ohio two years ago—because that is an unforeseen contingency and a thing that does not usually happen—you ordinarily know the expenditures which a road has made; you know substantially the condition of the road and its equipment. You take any of these standard roads like the Pennsylvania, the Baltimore & Ohio, and the New York Central, and tell a man what they have spent in three months or six months in the maintenance of the road, and where they have spent it, and he can tell you what the condition of the road is, if he knew the condition of the road to start with.

Mr. SISSON. If there was a contest over a rate that you fixed the railroad companies would have absolute advantage of you if they could produce positive testimony as to the exact condition of the road. The condition would be based upon a survey made five years ago, six years ago, or seven years ago, and you would have before you simply the book expenditures as shown by the reports which they make to you, from which you might be able to draw conclusions, unless they contested it. In the event that they contested it and could bring positive evidence it would necessitate a resurvey of the road in order to be able to be on equal terms with them, because it is difficult enough to fix a rate after you know exactly what the thing is worth.

Mr. PROUTY. I am not saying what good it will do Brother Harlan when he comes to fix the rate, or what the cost of reproducing the road is, but we expect to substantially agree with the railroads on the quantities as they exist to-day, on the amount of earthwork, rails, and everything of that kind, so that we will know to-day just what there is in that road. Now, they are required to furnish us every year an itemized statement in detail showing exactly what they have added to that road and exactly what they have taken out of that road, so that at the end of this work we shall be able to say precisely what that road was worth, and I can not conceive of any evidence that they could produce to show the contrary, because we have got their admissions for it; we have got their admissions that the stuff is there now and have got their statement that they have put in so much and that they have taken out so much. Now, there is this question of deferred maintenance. They may say that they have not properly maintained their road or that they have maintained it in an unusually high state of efficiency, but you understand that the cost per mile of maintaining a road is just so much, and that is known, and their figures will show whether their maintenance is

above or below that point. There is very little chance of any difficulty in that direction.

Mr. HARLAN. Of course, this is a great big question, but if you were sitting and listening to testimony, as Mr. Prouty and I did in the Spokane case, where the question was as to the rates of the carriers, considered more or less as a whole, and the railroad company introduced a complete valuation of its property, the complainants in that case, as well as the commission, were absolutely helpless before such testimony. The complainants, of course, could not undertake to meet it. It would have been too great a burden, if it were even possible, and the commission without any authoritative valuation was left in that case as we have been in many others, with proof by the railroads of their valuation with no means of determining whether that was proper or not, and on those records this commission has been compelled to decide the issue for or against the complainants.

Mr. Sisson. Of course, there are two great interests involved in this valuation work; one is the interest of the public in ascertaining and determining such valuation and feeling in their hearts that there has been no overvaluation. Of course, the carriers are intensely interested in there not being any undervaluation. Now, the success, of course, is going to depend upon the railroads not having influence enough to have their roads overvalued, and the controversies in the courts will be very much lessened in the event there has been no undervaluation, because otherwise the railroads would be able to litigate the question and the whole thing is going to be finally fought out and, perhaps, soon after the first rates are made and the litigation begins. That may be very favorable for the commission, because it will come at the earliest possible moment after the valuation is made, and when the court lays down the rule it is possible that this valuation will be worth a great deal.

Mr. HARLAN. Yes.

The CHAIRMAN. Judge, this thought is in the minds of a great many men, and Mr. Sisson has already mentioned it, that when you finish this work, the valuation—to use a comprehensive term—will be out of date. As I understand, your opinion is that the method that will be adopted will be such that simply by utilizing additional information that will be at hand and current the valuation is readjusted.

Mr. PROUTY. My idea is, Mr. Chairman, that the valuation automatically adjusts itself from time to time. Every carrier to-day knows the value of its property, but everybody understands that the value as shown to-day by the carrier is not the correct value of its property. The additions made to it from time to time and the subtractions from it are correct; but the gross figure is not correct. Now, our valuation should correct that gross figure, and when you once have that figure corrected then the carriers are obliged to show their additions to their property, and they are obliged to show their subtractions from their property, and that gives the valuation of the property.

The CHAIRMAN. After you have the basic facts established then the other part works automatically.

Mr. PROUTY. Yes; of course you always know what the property costs them, although that may not be the value.

Mr. SISSON. In making this valuation do you have access to the books of the railroad companies in reference to the cost of the road—

Mr. PROUTY (interposing). Everything.

Mr. SISSON (continuing). Showing what they have actually expended for original construction, improvements, and everything else?

Mr. PROUTY. Yes; the law requires us to report that. We can not do it in the case of a great many roads, because the records do not exist from which it can be shown, but we get everything there is.

The CHAIRMAN. Before the work is completed will the information that is obtained in the progress of the work be of service to the commission in its work?

Mr. PROUTY. It may be. If I had my way about it I would not apply any prices to the quantities we are getting for another six months anyway, because we have not got any reliable prices to-day, but we will have in six or seven months prices that are reliable, and just as soon as we can begin to apply those prices you will have the valuation of a railroad, and if the rates of that railroad come into controversy of course those facts will be of value to the commission.

The CHAIRMAN. For instance, you will finish some roads before others.

Mr. PROUTY. We have finished some already.

The CHAIRMAN. And if a case were pending before the commission, as in the Spokane case, and they introduced a complete valuation of their own, you would then have some information upon which you could base your conclusion or with which you could check up their own work.

Mr. PROUTY. If we can properly develop our work we will complete our valuation of the whole Rock Island system within approximately one year from to-day. Now, when that work is done, any question as to rates upon the Rock Island system of course could be decided with reference to that valuation, although, of course, I do not know what bearing the valuation might have on the question. We shall possibly finish our valuation of the Great Northern Road—we are going to work on that next summer and we have done some work already—within a year and a half or two years from the present time, and as soon as that is done that will be of value, and so on as the different roads come in.

The CHAIRMAN. The doubling of the field parties will cut about in half the time for doing the field work.

Mr. PROUTY. The doubling of the field parties will multiply by two the amount of our field work without any increase of our overhead organization.

The CHAIRMAN. And in that way shorten the time?

Mr. PROUTY. Yes; it would cut the time in half. We can do this work just twice as quick if we have 16 field parties as we can with 8 field parties.

The CHAIRMAN. And this is the appropriation that is required in order to double your field force by the first of the next fiscal year?

Mr. PROUTY. Yes, sir. We may not be able to quite double it.

The CHAIRMAN. I understand that.

Mr. PROUTY. But that is what we are working up to.

The CHAIRMAN. And the purpose is to enable you to proceed now to double your field force?

Mr. PROUTY. Yes, sir; we should do it in the very near future. We should do it as soon as we can.

The CHAIRMAN. We carried in the sundry civil bill \$3,000,000 for next year. What would be the effect on the work if you only got \$2,000,000?

Mr. PROUTY. We could not do any more than we are doing now. We are spending just about \$2,000,000 a year now.

The CHAIRMAN. And that would restrict you to eight field parties to each district?

Mr. PROUTY. That would restrict us to eight field parties for each district and would compel us to almost entirely abandon our telegraph work. We have just begun to value the Western Union Telegraph Co. I estimate it is going to cost approximately \$1,000,000 to do that work. We valued last month 2,500 miles. We had three parties in every district except two. In two districts we only had one party. Now we ought to increase those parties to 10 parties in each district and we would then cover 100,000 miles a year and we would complete the valuation of the telegraph lines in about two years. We ought to do that.

The CHAIRMAN. That is, if you go on without interruption?

Mr. PROUTY. Yes; but if we only have \$2,000,000 we can not do any telegraph work of any consequence.

The CHAIRMAN. You would not do any next year?

Mr. PROUTY. No; we would have to stop that work. I would like to say that we are to-day spending money at a trifle more than \$2,000,000 a year. We covered in the month of January 2,000 miles of railroad, and at that rate we should cover approximately 25,000 miles a year, and it would take us eight years in which to complete this work. If we are restricted to \$2,000,000 we can not complete the work, and we would be obliged to cut out entirely our telegraph work which we have just begun. It seems to me if this work is going to be interrupted, it ought to be cut out entirely now, and we ought not to fool away any more money. If it is going to be carried on, we ought to have money enough to carry it on in an efficient and prompt way.

Mr. Sisson. In reference to the charter values and the good will of the railroads, are these field parties examining into that?

Mr. PROUTY. No; they do not know anything about that. They can not say anything about that because that question is for Brother Harlan here when the time comes. That question will be passed upon by the commission. We will put before the commission all the facts. Among other things, we will know just the financial history of a railroad; just how much money it has earned and how much it has cost to earn it; how much traffic it is handling; how it is situated in reference to the obtaining of traffic; and when all those facts are before the commission the commission has to determine what the value of that road is as an earning proposition.

Mr. Sisson. Personally, I am very much opposed to allowing the railroads anything for charter values or for good will because the charter is something that is given them by the State.

Mr. HARLAN. Of course, that is one of the profound questions involved, and it will be argued, of course, very extensively by very

able lawyers on both sides of the question. There is a great deal of philosophy in this matter.

Mr. Sisson. Of course, I do not expect you gentlemen to indicate any opinion one way or the other, but personally I am very much opposed to that idea.

ASSIGNMENT OF PER DIEM ALLOWANCE BY FIELD PARTIES.

Mr. GRAHAM. There is one other matter, Mr. Chairman. The commission would like to have authority to pass rules and regulations permitting the field parties to assign their per diem pay.

Mr. PROUTY. That is a matter, Mr. Chairman, about which I wrote you, and you have all that information in my letter. We hire a cook and flunky and sometimes an engineer in our subsistence party, and the money for his support during the month is advanced by the head of the field party with the understanding that when he gets his subsistence check he shall turn it in to the man who has advanced the money. He gets his subsistence check and sometimes does not turn it in; that is to say, he leaves the party and goes away; and we ask permission to pass rules and regulations allowing him to assign it.

Hereafter field employees engaged in the valuation of the property of carriers may make assignments of compensation for per diem in lieu of subsistence, under such rules and regulations as may be made by the Interstate Commerce Commission.

WEDNESDAY, FEBRUARY 17, 1915.

BOARD OF MEDIATION AND CONCILIATION.

STATEMENT OF MR. WILLIAM L. CHAMBERS, COMMISSIONER.

The CHAIRMAN. "For the United States Board of Mediation and Conciliation, including the same objects specified under this head in the sundry civil appropriation act for the fiscal year 1915, \$10,000." The appropriation is \$50,000. What is the necessity for this, Judge?

Mr. CHAMBERS. The necessity does not arise from an actual existing deficiency, but an estimated deficiency. From figures which I can show you up until the 1st of April the arbitrations now pending will exhaust the arbitration fund down to \$2,098.80. We had a suggestion the other day from the arbitration board, which has the right to extend its hearings, that they would not be able to complete their hearings before the 1st of April.

The CHAIRMAN. What board is this?

Mr. CHAMBERS. The arbitration board now conducting hearings in the controversy between 98 railroads in the West and the organizations of engineers and firemen. I might say that that arbitration is consolidated and involves a dozen or more arbitrations. The 98 railroads have gone into an agreement with these two labor organizations to arbitrate their controversies in one arbitration. It would probably have cost \$100,000 if they had arbitrated their disputes, as they had a right to do under the law, with each railroad separately. All the railroads west of the Mississippi River and the Illinois Central Railroad this side of the river, 98, are involved in this arbitration. It is a board composed of six arbitrators, of which Judge Pritchard, of the fourth circuit, is the chairman, and Mr. Nagle, former Secretary of

Commerce and Labor, is the other neutral arbitrator. This afternoon's paper—the first I have seen of it within the last half hour—contains a telegram from Chicago stating that all the parties have agreed that the hearings be extended and the award made on the 20th of April. If it goes that far beyond the 1st of April, my estimate will have to be revised, so that \$2,098.80 left out of our appropriation for arbitration purposes would practically be absorbed, as that arbitration costs in the neighborhood of \$100 a day.

The CHAIRMAN. How much of the \$50,000 is for arbitration purposes?

Mr. CHAMBERS. We arbitrarily set aside one-half the appropriation for arbitration purposes. As a matter of fact, the administration expenses of the law costs about \$22,000. Therefore, we calculated that there would be \$3,000 of the administration portion of this appropriation which could be used for arbitration. That will be practically all the money the board will have for arbitration purposes after the 20th of April. The Burlington board of arbitration meets in Chicago to-morrow. There are three members of that board, and the expense will probably not be more than \$40 or \$50 a day. How long it will sit we not only can not determine, but we have no right to determine, as the law itself permits a board of arbitration to make its own rules of session and length of service. We are working on a margin of \$3,000 until the 1st of July.

The CHAIRMAN. Has there been any other arbitration?

Mr. CHAMBERS. There is mediation going on now between the telegraphers' organization and the Chicago, Great Western Railroad which in all likelihood will end in arbitration. In case that controversy should go to arbitration we would have no money to meet that expense, because the \$3,000 we now have on hand for arbitration purposes in all likelihood will be absorbed in the Burlington arbitration. We are asking for no money for mediation purposes, because we have enough for that.

The CHAIRMAN. Have there been any other arbitrations this year than the ones you have mentioned?

Mr. CHAMBERS. No, sir. All the other work has been done by mediation this year.

The CHAIRMAN. Please put in the record a statement showing the expenditures up to the present time, classifying them?

Mr. CHAMBERS. Yes, sir.

United States Board of Mediation and Conciliation, financial statement, July 1, 1914, to Feb. 15, 1915.

Appropriated for fiscal year 1915 (Public, No. 161).....	\$50,000.00
Apportioned by board for:	
Administration account.....	\$25,000.00
Arbitration account.....	25,000.00
	50,000.00

EXPENDED.

Administration account:	
Salaries.....	\$9,714.41
Miscellaneous personal and stenographic services.....	77.95
Travel expense:	
Transportation.....	\$668.35
Subsistence.....	812.90
	1,481.25

Communication service:	
Telegraph.....	\$99. 53
Telephone.....	71. 55
	\$171. 08
Rent.....	1, 330. 00
Stationery, printing, and miscellaneous supplies..	236. 35
	13, 011. 04
Estimated expense for balance of fiscal year, account of fixed charges, bills rendered and estimated on basis of preceding months.....	8, 988. 96
Estimated balance from amount apportioned for administration account.....	3, 000. 00
	\$25, 000. 00
Arbitration account: Compensation to arbitrators, clerk, and messenger; travel expense of arbitrators, and reporting proceedings.....	
	12, 697. 20
Estimated expense to close of pending arbitration for compensation to arbitrators, clerk, and messenger, travel expense, reporting, and miscellaneous expense.....	11, 874. 00
Estimated balance from amount apportioned for arbitration account.....	428. 80
	25, 000. 00
	\$50, 000. 00
Estimated balance to be available to apply on expenses of Burlington arbitration board, beginning sessions February 18, 1915; approaching arbitration in Chicago Great Western case; and other unforeseen cases that may arise:	
From administration account.....	3, 000. 00
From arbitration account.....	428. 80
Total.....	3, 428. 80

WEDNESDAY, FEBRUARY 17, 1915.

DISTRICT OF COLUMBIA.

STATEMENTS OF MR. OLIVER P. NEWMAN, PRESIDENT; MR. L. P. BROWNLOW AND MAJ. CHARLES W. KUTZ, COMMISSIONERS; MR. ALONZO TWEEDALE, AUDITOR; AND LIEUT. COL. A. L. PARMETER, NAVAL BATTALION, DISTRICT OF COLUMBIA.

JUDICIAL EXPENSES.

The CHAIRMAN. The first item in which you gentlemen are interested is "Contingent and miscellaneous: For judicial expenses, including procurement of chains of title, the printing of briefs in the Court of Appeals of the District of Columbia, witness fees, and expert services in District cases before the Supreme Court of said District, fiscal year 1914, \$776.47."

Mr. NEWMAN. The deficiency in the first item under judicial expenses consists of medical examination, witness fees, stenographic services and transcripts, payments to title and guaranty companies, and items of that kind in court proceedings which had to be held and over which we had no control and for which the expenditure was \$776.47 for that year more than the appropriation.

The CHAIRMAN. Are these appropriations for the courts?

Mr. NEWMAN. Yes, sir.

Mr. BARTLETT. Judicial expenses, they are called.

Mr. NEWMAN. It is for court proceedings, the apportionment of the expenditures of the office of the corporation counsel of the District of Columbia. It is in connection, of course, with judicial matters.

The CHAIRMAN. That is the actual deficit?

Mr. NEWMAN. Yes, sir; in 1914.

The CHAIRMAN. Have you a statement of the items which make up that amount?

Mr. NEWMAN. Yes, sir; they are as follows:

Dr. Edward W. Burch, medical examination and witness fee.....	\$50. 00
Dr. H. T. A. Lemon, witness.....	75. 00
Griffith L. Johnson, stenographic services and transcript.....	164. 00
Do.....	203. 50
Lawyers' Title & Guaranty Insurance Co. (certificates of title in re condemnation of Fort Davis and Fort Dupont parkways).....	308. 00
	800. 50
Less balance of appropriation.....	24. 03
Deficiency.....	776. 47

ADVERTISING NOTICE OF TAXES IN ARREARS.

The CHAIRMAN. The next item is, "For advertising notice of taxes in arrears July 1, 1914, as required to be given by act of March 19, 1890, \$800, to be reimbursed by a charge of 50 cents for each lot or piece of property advertised?"

Mr. NEWMAN. This is the money with which we advertise the tax sales that are held every year. The amount required to advertise them depends upon how many such cases there are. This year we find that there will be more than the appropriation, but not \$800. Since this estimate was submitted we have actually gone far enough along so that we know it will be—it will be \$658.28 instead of \$800.

The CHAIRMAN. That will cover the parcels that will be advertised?

Mr. NEWMAN. Yes, sir; that is the deficiency.

WIDENING ROADWAY, FOURTEENTH STREET BETWEEN F STREET AND PENNSYLVANIA AVENUE NW.

The CHAIRMAN. The next item is: "Streets: The commissioners are authorized to increase the width of the roadway of Fourteenth Street NW., between F Street and Pennsylvania Avenue, to 70 feet, and to replace the present granite-block pavement on said roadway with asphalt or asphalt blocks, chargeable to the appropriation for "Repairs to streets, avenues, and alleys," for the fiscal year 1915.

Maj. KUTZ. This is an authorization in connection with an existing appropriation.

The CHAIRMAN. No; it is legislation which authorizes you to provide a roadway. We can not do that.

Maj. KUTZ. The question is this, if I may take just a few minutes of your time.

The CHAIRMAN. Certainly.

Maj. KUTZ. The Public Utilities Commission ordered the railway company to put tracks on Fourteenth Street prior to June 30, 1915.

That street is now only 46 feet wide, and to put tracks there will make the street very narrow and very congested.

Mr. BARTLETT. You are not obliged to put the tracks in?

The CHAIRMAN. When the railway was first laid out on that line it was carried up around Fifteenth Street because the people believed that the grade was greater than it should be and the street too narrow. This item was in the urgent deficiency bill, and objection was made to it, because it would give effect to the orders of the Public Utilities Commission, on the ground that persons vitally affected had never been given an opportunity to be heard. This is a matter which should be considered by the Committee on the District of Columbia.

Mr. Sisson. The property on which these sidewalks are to be removed is now the property of the Government?

Maj. KUTZ. Yes, sir.

Mr. Sisson. And part of the streets of the District?

Maj. KUTZ. Yes, sir.

Mr. Sisson. The only objection that you find to moving the sidewalks comes from the people who have appropriated a part of the Government's property?

Maj. KUTZ. Not appropriated, but occupied it.

Mr. Sisson. I am talking about moving the sidewalks, I am not speaking about laying the tracks. People may object to the tracks on account of the noise about the hotels, but the chief objection comes from people who are now using the Government's property for which they pay no rent.

Maj. KUTZ. That is it.

Mr. Sisson. Does it require legislation for you gentlemen to move the sidewalks?

Maj. KUTZ. Yes, sir.

Mr. NEWMAN. It requires legislation to widen the roadway.

Mr. Sisson. The paving part would require legislation, but it would require no legislation to widen the street and have them remove the obstructions from the sidewalks?

Maj. KUTZ. Yes, sir; it would.

Mr. Sisson. Why, was that done under a legislative enactment?

Maj. KUTZ. They occupy the space under the sidewalks for vault purposes under permits issued by the commissioners.

Mr. Sisson. That is true, but can not you revoke the permits without legislation?

Maj. KUTZ. I doubt very much whether we could.

Mr. Sisson. Can a stream ever rise higher than its source?

Maj. KUTZ. I say that advisedly, because Congress, after the permits had been granted, enacted a law confirming what the commissioners had done.

Mr. Sisson. I did not know anything about that.

Maj. KUTZ. In the permit the commissioners reserved the right to put water mains and sewers in the vault space and in case the property is entirely destroyed to take away that space, but I doubt very much whether we can take it away otherwise without legislation. The point which I wanted to make was this, that under the existing order and without this legislation the tracks will be put in there so as to conform to existing grades, but when the street is subsequently widened, as we feel it undoubtedly will be, the grade will have to be changed, as the greater width of the roadway will require a greater crown.

The CHAIRMAN. The commissioners should not have done that until the legislation was enacted to take care of that situation. We can not take up general legislation on this bill; we have no jurisdiction over it.

BENNING ROAD VIADUCT AND BRIDGE.

The next item is "The appropriation for Benning Road viaduct and bridge, contained in the District of Columbia appropriation act for the fiscal year 1915, is made available until expended."

Maj. KUTZ. The current appropriation act contains an item for constructing this viaduct and bridge over the railroad tracks at Benning.

The CHAIRMAN. At what point?

Maj. KUTZ. Where the Benning Road crosses, in the northeastern part of the city, the Baltimore & Ohio and Pennsylvania freight tracks.

The CHAIRMAN. Out at Benning?

Maj. KUTZ. Yes, sir.

The CHAIRMAN. Where the road goes down?

Maj. KUTZ. Yes, sir. The construction of this viaduct required a modification of the highway plan. We had to go before the highway commission, consisting of the Secretary of War, the Secretary of the Interior, and others, and it took time to do it. Then, we had to institute condemnation proceedings which have been started, but it seems very doubtful whether we will be able to place this work under contract before the 30th of June.

The CHAIRMAN. If we reappropriate this amount for the next fiscal year, that will cover it?

Maj. KUTZ. Yes, sir.

The CHAIRMAN. Have you spent any money out of this appropriation?

Maj. KUTZ. I think there will be some little expenditure, probably, in the preparation of plans. Yes; there has been some expense.

The CHAIRMAN. What was the appropriation?

Maj. KUTZ. \$110,000.

The CHAIRMAN. If we reappropriated the unexpended balance, that would be satisfactory?

Maj. KUTZ. Yes, sir.

PLAYGROUNDS.

MAINTENANCE—WILLOW TREE ALLEY.

The CHAIRMAN. The next item is "Playgrounds: For maintenance, including the same objects specified under this head in the District of Columbia appropriation act for the fiscal year 1915, \$500." The appropriation is \$12,490?

Mr. NEWMAN. After we submitted our estimates last fall the officer in charge of public buildings and grounds transferred to us jurisdiction over Willow Tree Alley. We did not know at the time we made our estimates whether we would have jurisdiction or when we would have jurisdiction over that situation.

The CHAIRMAN. When was the transfer made?

Mr. NEWMAN. Some time recently, during the last few months, after we submitted the estimates. The transfer was made on Janu-

ary 27th. We now have that land on our hands, and this item of \$500—

The CHAIRMAN (interposing). That is over in the Southwest?

Mr. NEWMAN. Yes.

The CHAIRMAN. We have some property in there?

Mr. NEWMAN. Yes. There was an appropriation in the District bill four years ago to condemn and acquire the interior of that square. That was condemned and acquired and then transferred to the officer in charge of public buildings and grounds. The title to all of our public space goes to the United States, and the control of the small parks or places is placed in Col. Hart's hands. He had an appropriation—whether it was a specific appropriation or an appropriation from his general funds, I do not know—out of which he could improve this place, and has improved it, putting fences there, trees and shrubbery, and has fixed it up so that it is now ready to use as a playground, except for equipment. This item is to get the playground equipment. He has now turned it back to us for use as a playground.

The CHAIRMAN. Is it being used now?

Mr. NEWMAN. No.

The CHAIRMAN. How large is it?

Mr. NEWMAN. Well, it is an ordinary city block; it is the inside of the ordinary city square. I should say it was probably 150 or 200 feet square.

The CHAIRMAN. This is to obtain some equipment?

Mr. NEWMAN. Yes; playground equipment.

The CHAIRMAN. And it is for maintenance. What do you include in maintenance—salaries?

Mr. NEWMAN. No; there are no personal services. There is another item here for that. A portion of that \$500 is desired to move some apparatus from a playground which we will abandon soon, and there will be some expense incident to the taking down of that apparatus, moving it around to other playgrounds and putting it up. So that all of the \$500 is not for equipment and maintenance.

The CHAIRMAN. About how much do you figure for this Willow Tree Alley Park?

Mr. NEWMAN. Two hundred dollars for this equipment and \$300 for the other work.

SALARIES OF DIRECTORS.

The CHAIRMAN. The next item is "For two directors to be employed not exceeding four months each, at \$65 per month each; one watchman to be employed not exceeding four months, at \$50 per month, \$720."

Mr. NEWMAN. Those are the directors and watchmen for this Willow Tree playground. We will not need them after the 1st of July.

The CHAIRMAN. Do you have two?

Mr. NEWMAN. Yes.

The CHAIRMAN. Why two?

Mr. NEWMAN. We have two at all of the grounds.

The CHAIRMAN. You say you will not need them after the 1st of July.

Mr. NEWMAN. No, sir; because we will abandon one ground after that time and we will transfer the directors over here.

The CHAIRMAN. Do you open these playgrounds in March?

Mr. NEWMAN. We open them as soon as the weather permits, as early as we can.

The CHAIRMAN. The watchmen is on duty when—while they are using the grounds?

Mr. NEWMAN. Yes, sir.

Mr. BROWNLOW. They are temporarily supplying a watchman from public buildings and grounds.

SEWERS.

The CHAIRMAN. In the item for sewers you have a deficit for 1912 of 85 cents. How does that happen?

Maj. KUTZ. The bill was not presented before the appropriation lapsed. It does not represent a real deficiency, but is simply a bill that was not presented in time.

PUBLIC SCHOOLS.

LONGEVITY PAY.

The CHAIRMAN. The appropriation for longevity pay was \$425,000, and you are asking for a deficiency of \$23,155.

Mr. NEWMAN. Since that estimate was prepared it has been reexamined and another estimate made. It is now estimated that the amount needed will be \$10,500.

Mr. BARTLETT. More, or is that the whole amount?

Mr. NEWMAN. The whole amount will be \$10,500.

Mr. BARTLETT. Instead of \$23,155?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. Which is the amount they are entitled to under the law.

Mr. NEWMAN. Yes; and it is the best estimate we can give now. This previous estimate was made some time ago.

The CHAIRMAN. Is there no way in which that can be figured out accurately?

Mr. NEWMAN. Not to the penny; no, sir.

ALLOWANCE TO PRINCIPALS.

The CHAIRMAN. The next item is "For allowance to principals, including the same objects specified under this head in the District of Columbia appropriation act for the fiscal year 1915, \$2,390." The appropriation was \$34,000.

Mr. NEWMAN. This is a case in which the estimate made indicates that there will be that much of a deficit.

The CHAIRMAN. What is the nature of this allowance?

Mr. TWEEDALE. This allowance is given to each graded-school principal at the rate of \$30 per year for each session room under her charge. The law provides that a session room shall be composed of not less than 25 pupils. If it falls below 25 pupils the principal gets nothing. If the number of pupils goes up above 25 the principal gets an allowance of \$30.

Mr. SISSON. When do you know that you have appropriated enough money for longevity pay?

Mr. TWEEDALE. We can never tell definitely, because a teacher may be appointed to the school service and she may receive a salary under the law of \$1,000 or \$1,800. It depends entirely upon the changes in the system as to the amount of longevity that will be required during the year.

Mr. Sisson. I have no disposition to go into the mysteries of longevity pay and the difficulties to be encountered in ascertaining ahead of time what the amount is going to be, but when you ask us for longevity pay, ought we not to have something a little more definite than the statement of Commissioner Newman that it is now figured that it will be about \$10,500? We have that to deal with every year.

Mr. TWEEDALE. The reduction from \$23,155 to \$10,500 was caused, by the resignation of a number of teachers in the upper grades, where they got high salaries, and the new teachers coming in, instead of getting the high salaries, received the minimum salaries of the grades to which they were appointed. But they may come in at the maximum salary, under the law, if they have had experience on the outside, so that we can never tell definitely.

Mr. Sisson. It depends upon the basic pay at the time of entrance.

Mr. TWEEDALE. Yes, sir. In other words, they are entitled to the basic pay plus experience; and that is the thing we can never tell just what the experience of a teacher may be when she is appointed

KINDERGARTEN SUPPLIES.

The CHAIRMAN. The next item is "For kindergarten supplies, fiscal year 1912, \$5.50."

Mr. NEWMAN. That is a case where the bill of the Brooklyn Biological Supply Co. was not presented until October, 1914.

Mr. BARTLETT. It was a bill due but not presented in time?

Mr. NEWMAN. Yes, sir.

FUEL, GAS, LIGHT, ETC.

The CHAIRMAN. The next item is "For fuel, gas, and electric light and power, fiscal year 1914, \$1,090.05." The appropriation was \$85,000.

Mr. NEWMAN. The items making up that deficiency are bills unpaid, for electric light and gas. The reason those bills are standing is that there was necessity to buy more coal because of unexpected heavy weather.

The CHAIRMAN. In 1914?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. How much more coal?

Mr. NEWMAN. I have not the amount of the additional coal.

The CHAIRMAN. Was it a larger amount than during the previous year?

Mr. TWEEDALE. Yes; and then there are some new school buildings.

Maj. KUTZ. The appropriation is the same, but there were a number of new buildings.

The CHAIRMAN. And for that reason this money was not available for these gas and electric light bills?

Mr. NEWMAN. Yes, sir.

INSTRUCTION OF BLIND CHILDREN.

The CHAIRMAN. The next item is, "For instruction of indigent blind children of the District of Columbia, in Maryland, or some other State, under a contract to be entered into by the commissioners, fiscal year 1914, \$87.50."

Mr. NEWMAN. This was a deficiency of 1914. We had an appropriation of \$7,000 for the indigent blind, and we made a contract with a Maryland school for so much per pupil. This is really not a legal liability, but probably a moral liability. The bill rendered was \$87.50 more than the appropriation, and they actually rendered the service.

The CHAIRMAN. Do you mean that more children were sent to the school?

Mr. NEWMAN. There was one more child.

Mr. TWEEDALE. There were 19 children for the full year and 3 children for the last quarter, so that we had 22 children altogether. The rate is \$350 per annum in that school, and they rendered the service by instructing the children for the full time, and although our contract provides that it shall not exceed the amount of the appropriation, yet when they rendered the bill it was for \$87.50 more than the amount of the appropriation, and the service had been rendered.

The CHAIRMAN. That is, there was one child more than you had money for?

Mr. TWEEDALE. Yes; for a part of the year.

METROPOLITAN POLICE, MAINTENANCE OF MOTOR VEHICLES.

The CHAIRMAN. The next item is for "Metropolitan police: For maintenance of motor vehicles, \$2,100." You had \$4,000.

Mr. BROWNLOW. A good deal of this deficiency is on account of extraordinary expenses. The biggest part of it is \$1,000 caused by the collision of one of the motor patrols with a street car. We think we will get that \$1,000 back, as it is a pretty clear case against the company.

The CHAIRMAN. You mean that the street car struck the motor patrol?

Mr. BROWNLOW. Yes; the patrol was responding to a riot call on Eleventh Street and it was crossing U Street. It gave full warning, and under our traffic regulations, traffic going north and south has the right of way, but the street car paid no attention to the warning given and hit the patrol amidships, very much breaking it up, and it cost \$1,000 to repair it. It was necessary to practically rebuild it, but we hope to recover that amount from the street car company. Another extraordinary item was \$121 for the repair of an automobile. One of the patrol wagons was passing on E Street, right in front of the Washington Post Building, and a motor belonging to Loughran, the cigar man, had a can of gasoline on it which caught fire and the young gentleman in charge tossed it out under our patrol wagon and burned our patrol wagon to such an extent that it cost \$121 to repair it. Another item going to make up the \$6,100 is the cost of maintaining seven machines, \$2,780.03, from July 1, 1914, to January 31, 1915, seven months, and for the next five months it is

estimated that at the same rate the cost per month will be \$397.15, which will make—

The CHAIRMAN (interposing). How much does it cost a month to maintain them?

Mr. BROWNLOW. \$397.15.

Mr. BARTLETT. That indicates what?

Mr. BROWNLOW. That includes the entire cost of the maintenance of the machines, all of the machines.

The CHAIRMAN. How many machines have you?

Mr. BROWNLOW. We have seven motor vehicles, but one is old. In 1913, when we had ten horse-drawn patrols and one motor patrol, the cost of maintenance was \$6,085.40. The cost of maintenance has now been reduced, by eliminating the horse-drawn vehicles and putting in six new motors, from \$6,085.40 to \$3,765.56. We had 26 drivers when we had horse-drawn vehicles, which cost \$18,720; now we have only 18 drivers, which reduces it to \$12,960, so that there is a net saving for the year, by reason of the elimination of horse-drawn vehicles and putting in motors, of \$5,104.84, even after you grant us this deficiency, and, of course, we hope in due course of time to get back \$1,000 of that.

The CHAIRMAN. Do you have three operators to a patrol?

Mr. BROWNLOW. No; not quite. We ought to have three, but one driver was left out for some reason.

The CHAIRMAN. You have one car laid up most of the time, so why do you want three for that?

Mr. BROWNLOW. Well, we have some policemen who can run it, but they do not get any pay for it. We have not enough motor patrols, because two of these patrols have to serve two precincts. We have seven now, but one of those is the one that we had at the time we were using the ten horse-drawn patrols; it is now six years old, I believe, and is in very bad shape; it really ought to be retired because maintenance is going up on that.

The CHAIRMAN. Is there any increased efficiency in the service?

Mr. BROWNLOW. Oh, a great deal. We made 19,661 runs, averaging 2.7 miles per run, in all about 54,000 miles; the average cost per mile was 6½ cents. Of course, the service is very much quicker, and on an average run of 2.7 miles the difference of time in getting the patrol out and in over a horse-drawn patrol is very material, and the police officers tell me that these motor vehicles have greatly increased their efficiency.

HEALTH DEPARTMENT.

PERSONAL SERVICES, CONTAGIOUS DISEASES SERVICE.

The CHAIRMAN. The next item is "Of the unexpended balance of the appropriation of \$25,000, for preventing the spread of contagious diseases, fiscal year 1915, such additional sum as may be actually necessary, not exceeding \$5,000, is made available for the employment of personal services." How much was the unexpended balance that came over to this year?

Mr. BROWNLOW. Well, a limitation of \$12,000 was placed upon the amount that might be used for personal services out of the appropriation, the whole appropriation being \$25,000.

Maj. KUTZ. That is for the current year.

Mr. BROWNLOW. Now, during the early part of the year there was an unusual prevalence of smallpox, which took some additional service, and then there is an unusual demand on this appropriation for the care of two lepers now being cared for by the District. This latter service requires the payment of three watchmen at \$2 per day, and one cook at 50 cents per day, a daily cost of \$6.50, or \$2,373 per year. It does not seem that we are going to get rid of these lepers, and one of them is very obstreperous. Only day before yesterday I heard that he attempted to kill one of the guards, at least attempted to do him bodily harm, and we have to keep a very close watch on those two men. One of them, however, is reasonably quiet. Of the \$12,000 authorized for expenditure there has been expended for services to January 31, 1915, the sum of \$8,856.75, leaving a balance for the remainder of the year of \$3,143.25.

The CHAIRMAN. Have you a permanent staff employed under this appropriation, outside of those who look after these lepers?

Mr. BROWNLOW. Yes; there is a permanent staff, and then on extraordinary cases, when we have smallpox at the pesthouse, we have to add additional help.

The CHAIRMAN. What is the staff that is maintained?

Mr. BROWNLOW. I have not a statement of that, Mr. Chairman, but I will put it in the record. It is estimated that the pay rolls for the remaining five months will average \$1,500 per month, in all about \$7,500, an excess over available authority of \$4,356.75.

The CHAIRMAN. You had better put in a statement of just what that pay roll is.

The statement is as follows:

FEBRUARY 19, 1915.

The organization of the contagious-disease service during the fiscal year 1915, whenever there was no smallpox in the District and other communicable diseases, was as follows, the salaries being on a per diem basis:

Inspector in charge of the contagious-disease service.....	\$4. 50
Inspector.....	4. 00
Inspector.....	3. 00
Bacteriologist.....	6. 00
Driver, ambulance.....	2. 00
Matron, smallpox hospital.....	2. 00
Matron, quarantine station.....	2. 00
Stableman.....	. 75
Watchmen at leper camp, 3, at \$2 per day.....	6. 00
Cook.....	. 50
Total daily expense.....	80. 75

POUND AND STABLE, ALTERATIONS.

The CHAIRMAN. The next item is "The appropriation of \$1,325, contained in the District of Columbia appropriation act approved July 21, 1914, for certain specified objects for the health department pound and stable, is made available for improvements and alterations to said pound and stable and for necessary equipment."

Mr. BROWNLOW. This is just to make available some of this money for the conversion of the stable portion of this building for the accommodation of motor vehicles. In the current District act provision has been made for the purchase of a motor vehicle for the depart-

ment, and judging the future of the health department from the experience of the past of other departments of the District, and of business establishments generally, it is not unlikely that within the reasonably near future motor vehicles will be substituted for horse-drawn vehicles in the pound and contagious disease service. If this is to be done it is but wise to make the required alterations and improvements now necessary to accommodate these vehicles, to avoid waste in rearrangement at a later date.

The CHAIRMAN. The provision as carried in the District bill is as follows:

For completion of the pound and stable, as follows: For metal folding shutter for the wagon shed, \$1,000; painting inside walls, \$50; erecting flag pole, \$75; screens and awnings, \$100; and fire hose, \$100; in all, \$1,325.

Now, you want to do something else with that money?

Mr. BROWNLOW. We want to use that money in order to fit up the stable so it will accommodate motor vehicles. They do not want the metal folding shutter for the wagon shed, but they want to use the money to fireproof that same thing so it can be used for motor vehicles. The metal folding shutter would be all right for the wagons, but it would not be sufficiently fireproof for the automobiles, and so they want to change this metal folding shutter to a wall. Something had to be done to protect that wagon shed from the weather.

The CHAIRMAN. What is the matter with the metal folding shutter?

Mr. BROWNLOW. I do not know, but we have a letter from the health officer in regard to it.

The CHAIRMAN. What does he say?

Mr. TWEEDALE. He says:

It will be noted that the current District appropriation act has already provided the health department with one motor vehicle. Judging the future of the health department by the past of other departments of the District government and of business establishments generally, it is not unlikely that within the reasonably near future motor vehicles will be substituted for the horse-drawn vehicles in the pound service and in the contagious-disease service. If this is to be done, it would appear to be the part of wisdom to look ahead at the present time and to make any changes that are to be made in the pound and stable in such a way as to render them of the greatest service in connection with the probable future adoption of motor vehicles. The expenditure of the appropriation now available for the several items specified in the appropriation act, namely, metal folding shutter, painting inside walls, erecting flagpole, screens and awnings, and fire hose, will tend only in a general way toward that end, and it is not unlikely that if the appropriation be expended for the metal folding shutter, \$1,000, a considerable modification will have to be made in the arrangement later should it be desired to accommodate motor vehicles. For these reasons it is recommended that the appropriation for the completion of the pound and stable be modified in the manner described above.

The CHAIRMAN. I do not think there is any place in the United States where they have a motor-propelled pound wagon.

Mr. TWEEDALE. They keep in this pound stable the vehicles that are used by the health department in the contagious disease service.

Mr. SISSON. Where is the stable located?

Mr. TWEEDALE. It is down on Canal Street, on Government property.

Mr. BROWNLOW. In the middle of that wide street down there, and this is only a part of all the stables down there.

JUVENILE COURT, EQUIPMENT OF ROOM FOR EXAMINATION OF DELINQUENT CHILDREN.

The CHAIRMAN. The next item is "The appropriation of \$1,500 for furniture, fixtures, equipment, and so forth, for the fiscal year 1915 is made available to equip, including the installation of fixtures, a room in the juvenile court for physical and medical examination of delinquent children."

Mr. NEWMAN. Judge Latimer says that he can, out of that fund of \$1,500, equip a room——

The CHAIRMAN (interposing). Was that for some specific purpose, too?

Mr. NEWMAN. Yes, sir; for furniture, fixtures, equipment, and so forth, of the juvenile court.

The CHAIRMAN. Why can they not fix up that room?

Mr. NEWMAN. The ruling is that they can not spend the money for that purpose without specific authority.

Mr. BROWNLOW. The auditor had some doubt about it and he referred it to the Comptroller of the Treasury and he says it is not available.

Mr. TWEEDALE. It is in a rented building.

The CHAIRMAN. Where is that appropriation?

Mr. NEWMAN. It is in the 1915 bill under "Courts, District of Columbia, juvenile court."

The CHAIRMAN. What is it you want to do?

Mr. NEWMAN. He wants added to that authorization authority to equip, including the installation of fixtures, a room in the juvenile court for physical and medical examination of delinquent children.

Mr. TWEEDALE. The Comptroller's view in regard to that appropriation was that an appropriation for a court was not available for this kind of expenditure, namely, medical examinations, and that unless there was specific authorization we would not be authorized to pay for such an expenditure out of this money.

The CHAIRMAN. Was that intended when this appropriation was obtained?

Mr. Sisson. I do not think so; I think that must have been something which has come up since, because I do not recall in any of the hearings that we had anything that would cover these particular items. My recollection is that it was for certain furniture; that they wanted certain tables, chairs, and some other things.

Mr. NEWMAN. That was the general purpose of it.

Mr. Sisson. Yes.

Mr. NEWMAN. I have a statement from Judge Latimer on that subject if you care to hear it:

We are very anxious to have as thorough knowledge of each child as possible before we undertake to pass upon its future. Juvenile courts all over the country are having these examinations made, and the information has proved exceedingly helpful; and where children are to be committed to institutions, or even where they are to be allowed to roam at large, it is important to know their physical condition and particularly whether or not they have any contagious or communicable disease.

That is the judge's statement as to why he wants a room where he can have them examined.

The CHAIRMAN. Is this part of that old scheme where they had a man who wanted to determine and predict the future of all these children as an astrologer does the course of the planets?

Mr. NEWMAN. No, sir; this is to examine them as to their physical condition, but not as to their spiritual, psychic, or mental condition.

WASHINGTON ASYLUM AND JAIL.

PROVISIONS, FUEL, ETC.

The CHAIRMAN. The next item is "For provisions, fuel, forage, harness and vehicles and repairs to same, gas, ice, shoes, clothing, dry goods, tailoring, drugs and medical supplies, furniture and bedding, kitchen utensils, and other necessary items, \$14,000." The appropriation was \$35,000.

Mr. NEWMAN. Yes; the appropriation was \$35,000, and there is an anticipated deficit of \$14,000, which will bring the appropriation for 1915 up to \$49,000.

The CHAIRMAN. Why is there a deficit in this item?

Mr. NEWMAN. The superintendent of the asylum has taken the actual requisitions for the first six months of the year, \$24,470.98, and added to the same the estimated requisitions for January and February, \$8,415.93, making a total of \$32,886.91, an average of \$4,110.88 per month; multiplying this sum by 12 we get \$49,330.43, and a resulting deficiency of \$14,000 and over.

The CHAIRMAN. What is the cause of this deficiency?

Mr. NEWMAN. It is due to two causes, one cause being the increased number of patients and another cause is increased cost of supplies. The first six months of this year, compared with the like period last year, shows an average of 262 patients as against 238, an increase of 24. This item alone, if multiplied by the per capita payment last year out of the maintenance fund, \$160, will require \$3,840, and the remaining difference between this and last year's appropriations, \$3,160, is due to the higher cost of supplies. We are giving them a better diet this year, and there is a much heavier demand for medical and surgical supplies and drugs, as well as a heavy increase in clothing for the patients. It is due principally to the increased number of patients and the increase in the cost of supplies because of the improved diet. We found it absolutely necessary last summer to improve the diet.

MAINTENANCE OF PRISONERS.

The CHAIRMAN. The next item is "For maintenance of jail prisoners of the District of Columbia at the Washington Asylum and Jail, including pay of guards and all other necessary personal services, and for support of prisoners therein, \$2,000." The appropriation was \$46,000.

Mr. NEWMAN. Yes. That is explained by the increased number of prisoners. The daily average of population for the first six months of the current year was 247, as compared with 224 the preceding year, an increase of approximately 10 per cent; this in itself, if other conditions remain constant, will account for a 10 per cent increase in cost, or \$4,400.

The CHAIRMAN. For what is this money spent?

Mr. NEWMAN. This is spent for the maintenance and care of prisoners in the Washington Asylum and Jail, our local jail.

The CHAIRMAN. Is this for supplies?

Mr. NEWMAN. I do not remember the authorization, but it is for the support of prisoners; it is for everything in connection with the support of prisoners.

NATIONAL TRAINING SCHOOL FOR BOYS.

The CHAIRMAN. The next item is "For care and maintenance of boys committed to the National Training School for Boys by the courts of the District of Columbia under a contract to be made by the Board of Charities with the authorities of said National Training School for Boys, \$14,000." The appropriation was \$48,000, and you are asking for \$14,000 additional.

Mr. NEWMAN. That is because of the increased rate which we are required to pay as a result of an act of Congress. We had paid \$3 a week for our boys there for several years, but Congress stipulated that we should pay \$4.50 a week.

The CHAIRMAN. That is to make you pay what it actually costs?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. It is due to that entirely?

Mr. NEWMAN. Yes, sir.

COLUMBIA HOSPITAL—CARE OF PATIENTS IN.

The CHAIRMAN. The next item is "For care and treatment of indigent patients, under a contract to be made with Columbia Hospital for Women and Lying-in Asylum by the Board of Charities, fiscal year 1914, \$399.50." This is an actual deficiency?

Mr. NEWMAN. Yes, sir; and it is exactly similar to the case of the appropriation for the blind. We have a fixed rate and a fixed appropriation. There is no legal obligation, but they have rendered the service.

The CHAIRMAN. How many additional patients does that cover?

Mr. TWEEDALE. This deficiency is for the patients actually treated over and above the appropriation.

The CHAIRMAN. How many additional patients are there?

Mr. TWEEDALE. Well, there is no specified number; they go there for treatment from time to time.

The CHAIRMAN. I mean, what are they in this case?

Mr. TWEEDALE. In this case 163 patients treated, and it ran from May to June; this is the last month that they treated them, and there is not sufficient money to pay for the last month of treatment.

Mr. BROWNLOW. The cost per patient varies according to how long they are there.

Mr. TWEEDALE. It is a rate per day.

Mr. BROWNLOW. Some are there much longer than others.

Mr. Sisson. What was the average length of stay, so that we can get at the number you had?

Mr. TWEEDALE. The average, I should say, was about 12 or 13 days, from the looks of the list I have here.

Mr. Sisson. Can you put that in the record?

Mr. TWEEDALE. Yes; I can, and will do so.

During the month of June, 1914, there were in the Columbia Hospital for Women and Lying-in Asylum, at District expense, 116 women and 47 children. The women averaged 12.77 days each at \$1.20 and the children 10.91 days each at 40 cents per day.

Mr. Sisson. They charge you \$1.20 a day?

Mr. TWEEDALE. Yes, sir.

Mr. Sisson. That includes the entire expense—medical attention and everything?

Mr. TWEEDALE. Yes, sir; nursing, room, and everything.

BOARD OF CHILDREN'S GUARDIANS.

BOARD AND CARE OF CHILDREN.

The CHAIRMAN. The next item is, "For board and care of all children, including the same objects specified under this head in the District of Columbia appropriation act for the fiscal year 1915, \$17,000." The appropriation was \$55,000.

Mr. NEWMAN. Basing our estimate on our expenditures and obligations thus far in the year, we anticipate a deficit of \$17,000.

The CHAIRMAN. How much has actually been expended?

Mr. NEWMAN. In the first six months there was expended or obligated \$35,911.03. We have very little control over that, as the children are committed to us by the courts and we have to take care of them. There are now under the guardianship of the board 1,878 children, as compared with 1,727 at the same time last year.

The CHAIRMAN. About 150 more cases?

Mr. NEWMAN. Yes, sir.

Mr. Sisson. Does your statement show what the items of increase consist of?

Mr. NEWMAN. Well, they will consist simply of payments—

Mr. Sisson (interposing). You know they put some of these children in families, and I would like to know how much of it has been expended for the services of persons who have looked after them and cared for them. They asked for some additional help in the last bill, which we gave them. Did they appoint all those people?

Mr. NEWMAN. I will see whether I have that information.

Maj. KUTZ. I think that appears in this table.

Mr. NEWMAN. Oh, yes; \$19,977.47 for boarding homes.

Mr. Sisson. Have they placed a larger percentage of the children in private homes than heretofore?

Mr. NEWMAN. I have not the figures here showing that, but I should assume that they have, as that was the intention.

Mr. Sisson. That has been the policy of the board.

Mr. NEWMAN. Yes, sir.

Mr. Sisson. And we have insisted that they get them in private homes as much as possible.

The CHAIRMAN. But the number is dependent entirely upon the action of the courts?

Mr. BROWNLOW. Yes; the courts commit them.

Mr. NEWMAN. If you desire that information for the record, I can put it in.

BOARD OF CHILDREN'S GUARDIANS.
Washington, D. C., February 18, 1915.

MR. ALONZO TWEEDALE,
Auditor, District of Columbia.

DEAR SIR: Inclosed please find a statement of the distribution of the wards of the Board of Children's Guardians on June 30, 1914, and December 31, 1914.

Very truly, yours,

J. LAWRENCE SOLLY, Agent.

PERMANENT WARDS.

Distribution of wards of the Board of Children's Guardians.

WHITE.	June 30, 1914.	Dec. 31, 1914.
Private homes (at expense): Boarding homes.....	42	49
Private homes (not at expense):		
Trial with relatives and friends.....	198	188
Trial for indenture.....	15	3
Trial for adoption.....	10	10
Indentured.....	41	47
Apprenticed.....	32	40
Institutions, sectarian (at expense):		
House of the Good Shepherd, Washington, D. C.....	2	5
House of the Good Shepherd, Baltimore, Md.....		1
House of Mercy.....	4	4
St. Joseph's Male Orphan Asylum.....	6	6
St. Mary's Industrial School.....	20	15
St. Vincent's Female Orphan Asylum.....	5	5
Jewish Foster Home.....	3	2
Institutions, sectarian (not at expense):		
Holy Cross Academy.....	1	1
St. John's Orphanage.....	1	1
St. Ann's Infant Asylum.....	8	16
St. James Home, Baltimore, Md.....	2	1
Institutions, not sectarian (at expense):		
Bruen Home.....	60	44
National Junior Republic.....	14	27
Institutions, not sectarian (not at expense):		
Industrial Home School.....	93	106
Washington Hospital for Foundlings.....	7	8
Hospitals.....	7	10
District of Columbia Jail.....	1	.....
White.....	572	591
COLORED.		
Private homes (at expense): Boarding homes.....	250	252
Private homes (not at expense):		
Trial with relatives and friends.....	285	276
Trial for indenture.....	67	31
Trial for adoption.....	48	43
Indentured.....	114	132
Apprenticed.....	43	52
Institutions, sectarian (at expense): House of the Good Shepherd, Baltimore, Md.....	21	18
Institutions, not sectarian (at expense):		
National Training School for Colored Women and Girls.....		5
Children's Temporary Home.....	55	49
Institutions, not sectarian (not at expense):		
Industrial Home School.....	51	71
National Association for the Relief of Destitute Colored Women and Children.....	53	63
Hospitals.....	16	5
Reformatory at Hanover, Va.....	1	1
Pennsylvania Military Academy, Chester, Pa.....		1
District of Columbia Workhouse.....	5	3
District of Columbia Jail.....	1	2
Colored.....	1,010	1,004

The following permanent wards are classed as feeble-minded and are not included in the above tabulation:

	June 30, 1914.	Dec. 31, 1914.
WHITE.		
Institutions, not sectarian (at expense):		
Pennsylvania Training School, Elwyn, Pa.....	8	9
Gundry Home and Training School, Falls Church, Va.....	1	1
White.....	9	10
COLORED.		
Private homes (at expense): Boarding homes.....	2	3
Institutions, not sectarian (at expense): Children's Temporary Home.....	8	5
Institutions, not sectarian (not at expense): Hospitals.....	3	4
Colored.....	13	12

Summary of permanent wards.

NOT FEEBLE-MINDED.

	June 30, 1914.	Dec. 31, 1914.
Private homes:		
At expense.....	292	301
Not at expense.....	853	822
Total.....	1,145	1,123
Institutions, sectarian:		
At expense.....	61	56
Not at expense.....	12	19
Total.....	73	75
Institutions, not sectarian:		
At expense.....	129	125
Not at expense.....	235	272
Total.....	364	397

FEEBLE-MINDED.

Private homes: At expense.....	2	3
Institutions, nonsectarian:		
At expense.....	17	15
Not at expense.....	3	4
	22	22

Temporary wards.

	June 30, 1914.	Dec. 31, 1914.
Private homes (at expense): Boarding homes.....	11	32
Private homes (not at expense): Trial with relatives and friends.....	10	15
Institutions, sectarian (at expense):		
St. Mary's Industrial School.....	3	6
St. Vincent's Female Orphan Asylum.....	2	1
Jewish Foster Home.....	2	5
St. Joseph's Male Orphan Asylum.....		3
St. Rose's Industrial School.....		1
House of the Good Shepherd, Washington, D. C.....		1
Institutions, not sectarian (at expense):		
Children's Temporary Home.....	4	3
Bruen Home.....	2	13
National Junior Republic.....	1	2

Temporary wards—Continued.

	June 30, 1914.	Dec. 31, 1914.
Institutions, not sectarian (not at expense):		
Industrial Home School, white.....	13	9
Industrial Home School, colored.....	6	8
National Association for the Relief of Destitute Colored Women and Children.....	8	6
Washington Hospital for Foundlings.....	8	6
Hospitals.....	2	3
Total white and colored—temporary.....	72	114

SUMMARY.

Private homes:		
At expense.....	11	32
Not at expense.....	10	15
Total.....	21	47
Institutions, sectarian:		
At expense.....	7	17
Total.....	7	17
Institutions, not sectarian:		
At expense.....	7	18
Not at expense.....	37	32
Total.....	44	50

Mr. Sisson. Yes; I would be glad to have it in the record.

PAYMENT TO SECTARIAN INSTITUTIONS.

The CHAIRMAN. The next item is, "Authority is granted to pay, in addition to the sum of \$1,500 heretofore authorized, a further sum not to exceed \$4,700 to institutions adjudged to be under sectarian control, fiscal year 1915." What children are sent to the so-called sectarian schools?

Mr. NEWMAN. Well, we send them there up to the limit of the authorization.

The CHAIRMAN. I mean is there any particular class of children?

Mr. NEWMAN. Well, such as the institutions receive.

Mr. BROWNLOW. Such as will not be received in private homes.

The CHAIRMAN. These are the infants.

Mr. NEWMAN. Some of them.

Mr. TWEEDALE. Infants and those that are, to a certain extent, incorrigibles and those not fit to send out to the reform school because the reform school would not be the place for them, they not being classed as sufficiently incorrigible to require the restraint of that institution.

Mr. Sisson. The incorrigibles have to be sent where they can be kept under surveillance almost the same as in prison?

Mr. TWEEDALE. Almost.

Mr. Sisson. And they can not leave?

Mr. TWEEDALE. No, sir.

Mr. Sisson. And they are denominated as incorrigibles?

Mr. TWEEDALE. Yes.

The CHAIRMAN. You are authorized to spend \$1,500, and you are asking for authority to spend \$4,700. What is that amount based on?

Mr. NEWMAN. It is based on estimates of the number that we desire to put in sectarian institutions.

The CHAIRMAN. Do you recall how much was spent last year in that way?

Mr. NEWMAN. I have not that information here.

The CHAIRMAN. Please put it in the record.

Mr. NEWMAN. All right.

The CHAIRMAN. How is it determined whether a child is incorrigible? Is that done by the court?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. That is done entirely by the court?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. It is determined from the information that is presented when the child is arraigned?

Mr. NEWMAN. Yes.

Mr. BROWNLOW. We can not control that at all.

The CHAIRMAN. I wanted to find out how that was determined.

Mr. BROWNLOW. The court determines that.

The CHAIRMAN. Upon information that is presented when the child is produced in court?

Mr. BROWNLOW. That is my understanding.

Mr. SISSON. In addition to that, if the court should commit a child that it did not deem an incorrigible child and the Board of Children's Guardians should have such information afterwards as would cause them to determine that the child was incorrigible by virtue of its conduct generally—the board standing almost in loco parentis—they have the right, under the laws of the District of Columbia, to say that such a child is incorrigible and then they can place the child where it will be under some sort of surveillance.

Mr. BROWNLOW. Yes; I think the Board of Children's Guardians retains control of the ward under all circumstances.

Mr. SISSON. That is true; but the question whether they are incorrigible or not is not necessarily always determined by the courts.

Mr. TWEEDALE. No.

Mr. SISSON. And if a child afterwards becomes incorrigible the board can place it where it will be under surveillance?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. If they put a child in a private family and afterwards ascertain that that child is not fit to remain there, they can arrange to put the child in an institution where it can be taken care of?

Mr. NEWMAN. Yes, sir.

Mr. SISSON. If it is a little girl 10 or 12 years old, and she shows a tendency toward immorality, the board has the power to place her where she can be looked after properly; and if it be the case of a boy who is getting into bad habits, through swearing, stealing, and in other directions showing a tendency to become incorrigible, and that fact is reported to the board, the board can then enter an order declaring the child to be incorrigible.

MAINTENANCE OF FEEBLE-MINDED CHILDREN.

The CHAIRMAN. The next item is "For maintenance of feeble-minded children (white and colored), \$3,000." The appropriation was \$20,000. What is the condition of this appropriation?

Mr. NEWMAN. In 1914 we had 92 children. The number on hand now is 97, and it will probably increase slightly before the end of the year.

The CHAIRMAN. Are these children cared for in private families?

Mr. NEWMAN. They are cared for by institutions and private families, depending upon conditions. We have no District institution for such people.

The CHAIRMAN. They are under the Board of Children's Guardians, are they?

Mr. NEWMAN. Yes, sir.

INDUSTRIAL HOME SCHOOL FOR COLORED CHILDREN, MAINTENANCE.

The CHAIRMAN. The next item is "For maintenance, including purchase and care of horses, wagons, and harness, \$2,500." The appropriation was \$9,000. What is the situation there?

Mr. NEWMAN. The situation there is that last summer, after we had appointed a new superintendent of this school, he found, after getting started in his work, that the previous superintendent had occupied one of the cottages originally intended for the boys as his residence. There was another small building which was adequate as a residence for the superintendent, and we moved him over into this small building. That released this other building, intended primarily for the boys, and a portion of this deficiency is desired because we have that much more space to maintain and also because we have a larger number of boys.

The CHAIRMAN. What is your population now?

Mr. NEWMAN. The number has increased from 64 to 87.

The CHAIRMAN. Is it 87 now?

Mr. NEWMAN. Yes, sir.

Mr. BROWNLOW. And 64 last year, a 33½ increase. However, the per capita cost has been reduced by this rearrangement to the extent of 18 per cent, although the population has increased 33 per cent.

Mr. Sisson. How much of this sum is to be used for the purchase of horses, etc.?

The CHAIRMAN. That is simply the wording of the bill.

Mr. Sisson. I understand that, but I would like the record to show how much is to be expended for horses, wagons, etc.

Mr. NEWMAN. I will have to get that information for you.

The CHAIRMAN. Is any of the money asked for intended for the purchase of horses, wagons, and harness?

Mr. NEWMAN. I think not.

Mr. BROWNLOW. No; this is all to take care of the increased population.

Mr. NEWMAN. It is a maintenance appropriation for that institution.

Mr. Sisson. But in addition to that you want to buy horses and wagons?

Mr. NEWMAN. We already have that authorization.

Mr. Sisson. The reason I was asking about that is because they got a horse and wagon not long since, and they wanted to build something else out there which the subcommittee declined to give them, and I did not know whether they were trying to get that in this appropriation or not.

Mr. NEWMAN. I do not think so; I will watch that.

INDUSTRIAL HOME SCHOOL, MAINTENANCE.

The CHAIRMAN. The next item is, "Industrial Home School: For maintenance, including purchase and care of horse, wagon, and harness, \$1,200." The appropriation is \$16,000?

Mr. NEWMAN. The appropriation for the current year is \$16,000, which together with the deficiency of \$12,000 to be provided for, makes the total for the year \$17,200—an increase over the appropriation of 1914 of \$1,200. Last year there was \$16,000 appropriated for maintenance, and collections from sale of flowers approximated \$4,700, making a total fund of \$20,700. The proceeds from the sale of the flowers go direct to the institution. This year there has been received from the sale of flowers, \$2,299.61. That is a decrease of more than \$2,000. It is estimated that the sales of flowers for the balance of the year will not exceed \$700, making in all receipts on this account \$3,000, against \$4,700 last year, a falling off of \$1,700. While there will be a deficiency in receipts of \$1,700, actual provision is only asked of \$1,200 for the reason that the population of the school remains practically stationary, about 140, and several items of food supply, particularly milk and bread, large items in an institution for children, cost less than under contracts for the preceding year. It is believed that the \$1,200 asked for will suffice for the year.

The CHAIRMAN. This institution is for white children?

Mr. NEWMAN. Yes, sir.

NAVAL BATTALION.

The CHAIRMAN. The next item is, "Militia: For pay of officers and enlisted men of the Naval Battalion, annual cruise, July 5 to 21, 1914, \$3,207.39"?

Mr. NEWMAN. Col. Parmeter, of the militia, will speak for that item.

Col. PARMETER. That is an item, Mr. Chairman, to cover the pay of the Naval Battalion on its annual cruise. The appropriation for the National Guard of the District contains nothing to cover the pay of the Naval Battalion. The land forces are provided for. This service of the Naval Battalion is exactly the same as the camp service of the land forces. Each year this item has been submitted for the pay of these men after the cruise has been performed, and they make the cruise with that understanding.

The CHAIRMAN. How much does a man receive?

Col. PARMETER. It depends on his grade. He is graded, depending upon his rank, from a private seaman up through the various official grades to petty officers and commissioned officers.

The CHAIRMAN. How many men and officers participated in this cruise?

Col. PARMETER. One hundred and seventy-four. This amount is based absolutely on the number of officers and men who attended and the pay they will receive.

Mr. SISSON. Are they all supposed to attend?

Col. PARMETER. As far as possible, of course.

Mr. SISSON. How many attended last year?

Col. PARMETER. One hundred and seventy four.

Mr. SISSON. How many are there in all?

Col. PARMETER. That was the total number.

Mr. SISSON. The total number attended last year?

Col. PARMETER. That is the total number of men who made the cruise. That was not the total strength of the Naval Battalion.

Mr. SISSON. How many are there in the Naval Battalion?

Col. PARMETER. I can not speak offhand; something over 200 men.

Mr. SISSON. I should like to know the number who go as indicating the interest which they manifest?

Col. PARMETER. I can give you that data. I have it not with me.

WASHINGTON, February 18, 1915.

Hon. JOHN J. FITZGERALD,
House of Representatives, Washington, D. C.

SIR: In reply to your request of yesterday for certain information concerning the Naval Militia of the District of Columbia, the following is submitted:

At the beginning of the annual cruise of the Naval Militia, July 5, 1914, there were enrolled 239 officers and enlisted men; 12 officers and 174 enlisted men participated in the cruise.

Fifty-three men did not attend, though not through lack of interest. Many of them were men with families and working at trades at a per diem salary, and to attend the cruise meant loss of their pay for every day away from their various trades. Men working under the same conditions in mercantile houses have two weeks leave with pay during the summer, and this leave is usually consumed in the annual cruise with the organization.

Very respectfully,

A. L. PARMETER, *Adjutant General.*

The CHAIRMAN. This cruise is made under the supervision of the Navy Department?

Col. PARMETER. Yes, sir; it was made on a naval vessel.

The CHAIRMAN. And corresponds to the annual encampment of the militia?

Col. PARMETER. Yes, sir; of the land forces.

PAYMENT TO J. E. CHAPMAN.

The CHAIRMAN. The next item is, "The commanding general of the militia is authorized to pay \$20.55 to J. Edward Chapman for fuel furnished October 27, 1914, without the inspection required by law."

Col. PARMETER. That was an item put in by the disbursing officer, and of which I was not aware.

Mr. TWEEDALE. As I understand in regard to that item, the fuel was sent down to the naval battalion headquarters. They were having a meeting that evening and the place was entirely without fuel. It was sent down and used, but was sent down so late that the inspector was not there and it did not receive the proper inspection, and no certificate of inspection was issued.

The CHAIRMAN. Was it coal?

Mr. TWEEDALE. Yes, sir.

The CHAIRMAN. How much a ton?

Mr. TWEEDALE. As I remember, 3 tons of coal were sent down by Mr. Chapman.

Mr. SISSON. How long would it take them to consume the coal?

Mr. TWEEDALE. I do not know.

Mr. SISSON. Do you know what size building they meet in?

Col. PARMETER. Probably the main assembly room will hold 500 people, and it has a very high ceiling.

Mr. SISSON. How often do they meet there?

Col. PARMETER. They meet there two evenings a week; but I imagine that the building is heated practically the whole time, because men go there off and on during the evening for instruction, and so it is required to be kept in condition.

Mr. SISSON. Is the building rented?

Col. PARMETER. It belongs to the battalion.

Mr. SISSON. The battalion, or the Government?

Col. PARMETER. It is a Government building put up for the naval battalion.

Mr. BARTLETT. There is no doubt about their getting the fuel and using it?

Mr. TWEEDALE. There is no question about that; no, sir.

REFUND OF ERRONEOUS COLLECTIONS TO GOVERNMENT HOSPITAL FOR INSANE.

The CHAIRMAN. The next item is:

Refund of erroneous collections: For refund of erroneous collections for charges for board and medical treatment of patients at the Government Hospital for the Insane, erroneously covered into the Treasury of the United States to the credit of the District of Columbia and the United States in equal parts, \$264.16: *Provided*, That appropriations heretofore or hereafter made for refund of erroneous collections shall be available for refund of erroneous collections on account of charges for board and medical treatment of patients at the Government Hospital for the Insane.

Mr. NEWMAN. That is a case of some old soldiers who were committed to the Hospital for the Insane and where charges were collected by the District from their estates. Subsequently there were charges also deducted from their pensions. There is a special provision that the amount can be deducted from the pensions of old soldiers who are committed to the Government Hospital for the Insane.

The CHAIRMAN. And you collected these amounts twice?

Mr. NEWMAN. Yes, sir; and this is to authorize us to refund the duplicate collection.

The CHAIRMAN. What is the proviso; that is something new?

Mr. NEWMAN. You can pass that; we do not care to urge it.

OUTSTANDING LIABILITIES—PAYMENT TO CAROLINE RANNEY.

The CHAIRMAN. The next item is "Outstanding liabilities: The commissioners are authorized and directed to pay to Caroline Ranney the sum of \$52 for amount due her for lost check, said payment to be made out of moneys to her credit in the appropriated fund, 'Outstanding liabilities, District of Columbia.'"

Mr. NEWMAN. Under the law we can not refund money unless the check is presented. In this case the woman lost the check and she never presented it for payment.

The CHAIRMAN. The check was never paid?

Mr. NEWMAN. No, sir. This is the only way we can pay it.

The CHAIRMAN. Do you take a bond when you do that?

Mr. TWEEDALE. Ordinarily for a lost check we do, but this particular money has been carried to outstanding liabilities of the District

of Columbia; it is so old that there is no question about it, and they thought that they would pay it without the ordinary precaution of taking a bond. She is one of the school-teachers of the District.

The CHAIRMAN. She lost the check?

Mr. TWEEDALE. Yes, sir.

Mr. Sisson. Why should you not exercise that precaution in this case as well as in all others—it is a very simple matter?

Mr. TWEEDALE. Yes, sir; it is a very simple matter. The only thing is we can not get the money out of the outstanding liabilities without the check. I think in this case we would insist on an indemnity bond.

WASHINGTON MARKET CO. RENTALS, REIMBURSEMENT TO UNITED STATES.

[See p. 208.]

The CHAIRMAN. The next item is:

Washington Market Company rentals: For amount due the United States from the District of Columbia for collections made on account of the franchise rental of the Washington Market Company, fiscal years eighteen hundred and seventy-nine, to nineteen hundred and fourteen, inclusive, said sum being in full settlement of the amount due the United States for said market rentals under the decision of the Comptroller of the Treasury, dated December second, nineteen hundred and fourteen, which sum shall be paid wholly out of the revenues of the District of Columbia, \$158,437.50.

The comptroller has decided that the District has received \$158,437.50 which should have been turned into the Treasury of the United States?

Mr. TWEEDALE. Yes, sir.

The CHAIRMAN. And what is needed is a provision to transfer that amount from the credit of the District to the credit of the United States?

Mr. TWEEDALE. Yes, sir.

The CHAIRMAN. You are familiar with this matter?

Mr. TWEEDALE. Yes, sir.

The CHAIRMAN. Did the District raise any question about it?

Mr. TWEEDALE. No, sir. The only question that I have heard of was a question raised by Mr. Johnson, as to whether the District of Columbia should not pay compound interest on that sum, and there might be some question come up on the floor in regard to that.

Mr. BROWNLOW. This is an appropriation wholly out of District revenues, for amount due the United States from the District of Columbia, for collections made on account of franchise rental of the Washington Market Co., fiscal years 1879 to 1914, inclusive, said collections having been deposited to the credit of the District instead of being deposited wholly to the credit of the United States, prior to the act of July 18, 1888, and one-half to the United States and one-half to credit of District since that time.

The deposits made during the fiscal years 1913 and 1914 have been corrected, leaving the amount herein to be appropriated to be adjusted, and to this end congressional action is asked, the accounting officers being without authority to reopen the accounts prior to 1913.

By the act of May 20, 1870 (16 Stat., 124), incorporating the Washington Market Co., it was provided that the company should

pay to the city of Washington a specific sum per year as rental—"which sum shall be received by said city and set apart and expended by and under the direction of the city government of said city for the support and relief of the poor of said city and of the District of Columbia."

In consideration of the release and conveyance by the Washington Market Co. to the District of certain land fronting on Pennsylvania and Louisiana Avenues, between Ninth and Tenth Streets, an agreement was entered into whereby the market company should pay a quarterly sum of \$1,875 to the District. This agreement took effect April 1, 1873, and it is the collections arising out of this agreement that are in question now.

Prior to 1879 all collections made were deposited to the poor fund, and expended therefrom as directed by Congress; and by act of February 10, 1879, the collections for the fiscal year 1879 were appropriated for that purpose and used.

Beginning with the fiscal year 1880, the expenses then being paid one-half out of District revenues and one-half out of United States revenues, specific appropriations were made for the relief of the poor; and the moneys received from the market company deposited as other District revenues, evidently under the understanding that these collections being District market rentals were property of the District.

There is nothing in the organic act that is inconsistent with the continuing payment of this rental to the District of Columbia by the market company, nor is there anything in said act that changes the character of the rental as revenue of the United States; and the District now asks Congress for legislation to the end that it may fully reimburse the United States for the amount as shown by the decision of the Comptroller of the Treasury to be due.

This reimbursement is made pursuant to the rule laid down by the Comptroller of the Treasury in his decision of December 2, 1914 (21 Comp. Dec., 349), at page 356, as follows:

The rental of \$7,500 covered by the resolution of February 10, 1879, *supra*, was specifically appropriated and disposed of by that resolution. The whole of all rentals collected from that time down to the passage of the act of July 18, 1888, *supra*, should have been covered into the Treasury as a revenue of the United States and to the credit of the United States. Rentals collected after the passage of said act should have been paid into the Treasury of the United States and the District of Columbia in equal parts in accordance with its terms.

The act of July 18, 1888, referred to, provides *inter alia*, that "amounts collected for leases of streets and reservations * * * shall be paid to the collector for payment into the Treasury to the credit of the United States and the District of Columbia in equal parts."

It is claimed by some that to the amount found due as above there should be added compound interest on the same for the period July 1, 1902, to July 1, 1914, which would add about \$36,000. The reason for this interest charge and compounding the same, it is claimed, lies in the fact that during the period July 1, 1902, to July 1, 1914, inclusive, the District was paying 2 per cent interest on certain advances made to it under specific acts of Congress account

so-called extraordinary improvements, the current District revenues being insufficient to meet its share of advances from appropriations on this account; and that if these moneys had not been deposited to its credit then the District would have had to borrow more money from the United States and pay additional interest therefor.

All of the advances by the United States under the several advance acts have been fully reimbursed, the final payment being made in the last fiscal year ended June 30, 1914.

It would seem that in the final analysis of the case, all that has occurred has been a simple misapprehension of the law respecting the dispositions of these funds; and all that remains to be done is to now pay to the United States the principal of such moneys collected.

Further, if equities are to be taken into consideration on the ground that the United States has been deprived of the use of this money during the period in question, then we should also take into consideration the fact that during the period for which some propose to compound interest on this account, the District had in cash in the Treasury of the United States, on account of balances of District of Columbia trust and special funds, the following sums:

June 30:		June 30—Continued.	
1902.....	\$476, 970. 91	1909.....	\$325, 040. 54
1903.....	386, 528. 26	1910.....	293, 319. 45
1904.....	177, 637. 90	1911.....	283, 914. 05
1905.....	193, 779. 35	1912.....	339, 217. 21
1906.....	205, 057. 84	1913.....	301, 091. 80
1907.....	174, 078. 23	1914.....	204, 471. 45
1908.....	196, 244. 05		

And these moneys were available for use by the United States and no interest was allowed the District thereon.

Moreover, the specific rate established for payment of interest is applicable only to "advances" made by the United States under those acts; Congress never intended that the provisions of these acts should apply to anything other than the advances made under said acts.

It is further claimed by some, that if the District had not received credit for the sum of \$158,437.50 it would have received less appropriations out of the United States revenues, on account of its half, than it did receive.

This statement is founded on error, on the presumption that in appropriating for the District, Congress bases the amount of appropriations upon the total District revenues available, matching them with a like and equal amount of United States revenues. The organic act of 1878 contemplates no such policy; what it does provide is: "To the extent to which Congress shall approve of said estimates, Congress shall appropriate the amount of 50 per cent thereof."

In other words, Congress does not appropriate merely because the District may have a certain amount of revenues, but does appropriate according to the estimated needs of the District, as evidenced by such estimates.

In conclusion, it is believed that the District in reimbursing the United States for the amount found due under the decision of the Comptroller of the Treasury has done its full duty in the premises.

TEMPORARY SERVICES, ENGINEER DEPARTMENT.

The CHAIRMAN. The next item is, "Temporary services: Section 2 of the District of Columbia appropriation act approved July 21, 1914, placing a limitation on expenditures for purposes specified therein of \$70,000 during the fiscal year 1915, is amended by increasing said limitation to \$79,000."

Maj. KUTZ. In addition to the regular employees we are authorized to expend out of the lump-sum appropriations not exceeding \$70,000 for the employment of temporary draftsmen, engineers, inspectors, etc., in connection with construction work.

The CHAIRMAN. In the water department?

Maj. KUTZ. In all the engineering work. With a desire to put the work under contract just as quickly as possible we have rushed the work in the drafting room, and at the present rate we will require \$79,000 to pay these temporary employees. We do not ask for any increased appropriation, merely an increase in the rate of expenditure.

The CHAIRMAN. Was \$70,000 the amount you asked for in the estimates?

Maj. KUTZ. It was the limitation.

The CHAIRMAN. But was that the amount you asked for in the estimates?

Maj. KUTZ. Yes, sir.

The CHAIRMAN. And you are asking for \$79,000 now because you are proceeding more rapidly?

Maj. KUTZ. Yes, sir.

Mr. NEWMAN. We have the money and it is simply an increase of the limitation of the appropriation we already have.

Maj. KUTZ. We are anxious to get all the schoolhouses, the engine houses, and the other work under contract as soon as we can. We are pushing the work and need the additional amount for that purpose.

Mr. Sisson. You are only asking authority to spend \$9,000 additional?

Maj. KUTZ. Yes, sir. About \$4,000 of that is for the office of the municipal architect, \$3,500 is for bridge work, and \$1,500 is for street work, in case we have to do any hauling of snow this year as we did in March of last year.

Mr. Sisson. You have made no permanent increase in the force?

Maj. KUTZ. No, sir; this is just temporary employment.

JUDGMENTS.

The CHAIRMAN. The next item:

Judgments: For payment of judgments, including costs, against the District of Columbia, set forth in House Document Numbered One thousand five hundred and seventy-five of this session, \$4,656.50, together with a further sum to pay the interest at not exceeding four per centum on said judgments, as provided by law, from the date the same became due until the date of payment.

What is this?

Mr. NEWMAN. Do you wish to know what each case is?

The CHAIRMAN. What is it, generally, first?

Mr. NEWMAN. Final judgments against the District of Columbia.

The CHAIRMAN. For what?

Mr. NEWMAN. Mostly personal damages, and one judgment for salary.

The CHAIRMAN. Please explain those cases?

MARY E. MATTINGLY.

Mr. NEWMAN. In the case of the judgment of Mary E. Mattingly against The District of Columbia for \$500 and costs, amounting to \$34.10. This suit was brought against the District of Columbia for a claim of \$1,500 damages claimed to have arisen because the District of Columbia in changing the grade of Irving Street NE. conducted its work in such careless and negligent fashion as to throw a great deal of water upon the premises of the plaintiff, and that the surface of the streets so elevated were not provided with adequate gutters, but were left in such condition as to shed the rainfall down upon the premises of the plaintiff, causing her cellar to be filled on numerous occasions and causing great inconvenience and considerable damage. The case was fairly tried and the rulings of the trial judge—Mr. Justice Stafford—were just and proper, and no exceptions were taken by the corporation counsel which in his judgment would justify a reversal of the case. We did not appeal the case.

ARRAH B. HARDING.

Arrah B. Harding was injured on May 5, 1913, at the corner of Fourteenth Street and New York Avenue, while walking across the street with her husband, by stepping into a hole or depression which had been worn in the asphalt pavement. This defective condition of the street had been in existence for some time, and measurements disclosed that it was approximately $2\frac{1}{2}$ inches in depth. Plaintiff's injuries were quite serious, consisting of an injury to the knee which resulted in a stiff knee joint. On September 16, 1913, these facts having been first submitted to the commissioners, an order authorizing settlement for \$500 was promulgated, which offer was refused by plaintiff. This case was then set for trial and plaintiff offered to accept the compromise, which offer counsel for the District refused unless it was reduced to \$375, which was done, and judgment was taken for this amount, it being deemed good administration so to do. The judgment was for \$375 and no costs.

Mr. Sisson. The corporation counsel recommended that settlement?

Mr. NEWMAN. Yes, sir.

WALTER JACKSON.

The CHAIRMAN. What about the Jackson judgment?

Mr. NEWMAN. The plaintiff suffered considerable damage to his horse and wagon as a result of miring in one of our county roads in the Good Hope district, the immediate cause of the trouble being the faulty back-filling in the sewer trench. His claim was for considerably more than the amount of the judgment, and there was no question but that the District of Columbia was liable. We accepted the verdict of \$50 and costs of \$19.15.

SAMUEL T. KALBFUS.

The CHAIRMAN. Tell us about the Kalbfus judgment.

Mr. NEWMAN. Mr. Kalbfus was an assistant assessor of the District of Columbia whom the commissioners removed from office for incompetency, neglect of duty, and malfeasance in office. The law governing the appointment of the assistant assessors provides that they shall not be removed except for one of those three causes. Mr. Kalbfus in his testimony before the House District of Columbia Committee a year ago last summer himself admitted that he had speculated in real estate, and gave testimony indicating that he had used his official position as assistant assessor to his personal advantage, had underassessed his own property, had financial transactions with people owners of large properties, people with whom he had official relations. Basing their opinion that he was guilty of neglect of duty, malfeasance in office, and inefficiency, upon his own testimony given before the House District of Columbia Committee, the commissioners removed him from office and appointed a man in his place. He eventually brought suit against us, a mandamus to reinstate him, and at the expiration of about a year he won his suit. We took it up to the Court of Appeals and the Court of Appeals finally held that we did not have the authority to remove him in the way we did.

The CHAIRMAN. That you should have preferred charges?

Mr. NEWMAN. Yes, sir; and had a trial. The reason, of course, that we did not do that was that we wanted him on the outside and our own man in his place making the assessment, which we were just beginning—the last assessment, which has just been completed. We had, just prior to that, accepted the resignation of one of the assistants who was protected by this law, and we removed this other man, which gave us a majority of the board; and that new board made the assessment which has just been completed, which is, I think, the best assessment that was ever made in the District of Columbia. It is more equal, and the values, particularly of the more valuable class of property, are more nearly proper than they ever were before, and incidentally it produced an increase of about \$40,000,000 in the assessed valuation of the District. We were so interested in getting the work done properly that we simply took the chance in removing Kalbfus. When we removed this man, we let the case go to court; but in the meantime we had our own board doing the work, which we believed they would do properly, and we felt we would rather have him on the outside trying to get back than for us to be in court trying to get him out, and so we removed him. Eventually he secured a mandamus to reinstate him, and we reinstated him; but simultaneously with our action signing the order reinstating him he filed his resignation, effective immediately.

The CHAIRMAN. And that is the judgment?

Mr. NEWMAN. Then he went to court and got judgment for his salary, for which this is the item. In the meantime we had appointed, the day we removed him, under the same order, another man who served during this entire period, for which this estimate is submitted, and who received the compensation.

The CHAIRMAN. If Congress did not appropriate the money, how could he get it?

Mr. NEWMAN. He could not get it. He did not render a day of service.

The CHAIRMAN. The action of the commissioners in removing him was based on his own statement regarding his own conduct?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. A statement before a committee of the House of Representatives?

Mr. NEWMAN. Yes, sir.

The CHAIRMAN. Did he testify voluntarily?

Mr. NEWMAN. He was requested to appear; yes, sir; voluntarily.

The CHAIRMAN. He was not under subpoena?

Mr. NEWMAN. He was requested to come before the committee and he appeared. They would have subpoenaed him if he had not come, of course.

The CHAIRMAN. It was on these admissions concerning his conduct as described by you?

Mr. NEWMAN. Yes, sir. It was simply impossible for us to have him in the building.

The CHAIRMAN. Was the attention of the commissioners called to his statements?

Mr. NEWMAN. No. We took cognizance of them first by seeing them in the newspapers, and then we came to the committee of the House of Representatives and got the testimony.

The CHAIRMAN. You got the testimony?

Mr. NEWMAN. Yes, sir.

Mr. BARTLETT. Did the committee take any action about the matter in any way?

Mr. NEWMAN. No, sir.

Mr. BARTLETT. The court held that his employment was for the year and that you could not remove him?

Mr. NEWMAN. The court held that he had never been removed.

Mr. BARTLETT. Legally?

Mr. NEWMAN. Yes, sir. Physically and actually he never rendered a day's service after we removed him.

Mr. BARTLETT. You have not any redress against anybody except by trial?

Mr. NEWMAN. There is no way to tell just what would be our right or the rights of the person under that statute, because it says that he shall not be removed except for one of those causes.

Mr. SISSON. What are they?

Mr. NEWMAN. Malfeasance in office, neglect of duty, and inefficiency.

Mr. BARTLETT. Does the statute say "may" or "shall"?

Mr. NEWMAN. Who "shall not be removed" except for one of those causes.

Mr. SISSON. And he admitted that he was guilty of all three?

Mr. NEWMAN. The specific things he admitted convinced us that he was guilty of all three.

Mr. BARTLETT. Was his attention called to the fact of the specific action that you took?

Mr. NEWMAN. We requested him to resign, sent him a written request, asking for his resignation, which was very brief, of course.

He made a very brief reply, in writing, declining to resign. Then we simply wrote an order removing him from the office of assistant assessor and appointing another man in his place. He did not resist it. The order was served on him that night and he went away and never came back. He subsequently came back and served written notice on the commissioners, the disbursing officer, and the auditor, for his compensation.

Mr. BARTLETT. What did he do in the meantime; did he do no work at all?

Mr. NEWMAN. I do not know what he did.

Mr. BARTLETT. Did not the court take into consideration the fact that he was employed doing something?

Mr. NEWMAN. I think not.

Mr. SISSON. Did he get any other employment?

Mr. NEWMAN. I think he did.

Mr. TWEEDALE. I understood that he was connected with some land improvement company.

Mr. NEWMAN. I understand that he went into the real estate business.

Mr. SISSON. And was employed?

Mr. NEWMAN. He was engaged in work on his own account. What he really did, I presume, was to continue the real estate business, which he had previously done simultaneously with being an assistant assessor.

Mr. BARTLETT. What was his salary?

Mr. NEWMAN. \$3,000.

Mr. BARTLETT. Enough salary to compensate him for his entire time?

Mr. NEWMAN. Yes, sir; we required his entire time.

Mr. BARTLETT. It was not something that he could attend to now and then, but it required his entire time?

Mr. NEWMAN. Yes, sir; and if properly done it required more time than he could physically give.

Mr. BARTLETT. And the compensation was arranged with a view to paying him for his entire time?

Mr. NEWMAN. Yes, sir.

Mr. BARTLETT. Is the judgment for a whole year's salary?

Mr. NEWMAN. Not quite; \$2,475.

Mr. BROWNLOW. And also the costs.

Mr. BARTLETT. You do not know whether the court went into the question of whether he had other employment?

Mr. NEWMAN. I do not think the court went into that question. The opinion of the court of appeals was that he had never been removed during all the time that he was not in office. This is a final judgment, and we consider it our duty to submit all final judgments to Congress.

Mr. BARTLETT. What about the costs in this case?

Mr. TWEEDALE. The costs usually go to the persons who get the judgment.

Mr. BARTLETT. He has paid the costs?

Mr. TWEEDALE. Yes, sir.

Mr. BARTLETT. The officers of the court are not affected, then?

Mr. TWEEDALE. No, sir.

HARRY LIVINGSTON.

The CHAIRMAN. What about the Livingston case?

Mr. NEWMAN. The plaintiff, while driving his automobile through an alley running north and south between Four-and-a-half and Sixth Streets SW., ran over a sewer trap at the entrance of the alley which, because of improper fitting, became dislodged by the weight of one of the front wheels of the said automobile, thereby tipping up and locking with the front axle of the automobile and wrecking the same. Plaintiff proved at the trial that this condition had existed for a sufficient time to imply notice to the municipality of its defective condition. The jury awarded him \$800 for damages to the machine and personal injuries sustained at the time. Considering all of the facts and circumstances the verdict is considered fair and reasonable, and it is recommended that it be paid. That is the statement of the corporation counsel. There was an \$800 verdict and costs amounting to \$46.80.

WILLIAM E. MANN.

The CHAIRMAN. What about the Mann case?

Mr. NEWMAN. This was a case wherein the relator sought by writ of mandamus to compel the issuance of a license to him to conduct a shooting gallery. The contention of the commissioners was that license should be refused, because the plaintiff was addicted to the use of morphine. The case then came up for trial before Mr. Justice Anderson upon a question of fact. It was held that there was not sufficient evidence in the case to show that the plaintiff was not a fit or proper person to conduct a shooting gallery. The evidence merely disclosed that the plaintiff was a user of morphine, and did not go far enough to show to what extent, if any, the plaintiff was disabled or prevented by this use to conduct the place in question. Mann applied for a license to run a shooting gallery, and as a user of morphine we thought that he was not a proper person to run a shooting gallery, and refused his license, but the court compelled us to give it to him.

Mr. BARTLETT. And this is for the costs?

Mr. NEWMAN. Yes, sir.

FREDERICK R. GIBBS.

The CHAIRMAN. What about the case of Gibbs?

Mr. NEWMAN. On the 27th of November, 1909, plaintiff, then aged about 6½ years, was upon K Street, between Third and Four-and-a-half Streets Southwest, and walking thereon fell over a certain stone or rock projecting about 10 inches above the sidewalk, by reason whereof he suffered a concussion of the brain and a cerebral hemorrhage, which caused his death on the same day. Suit was brought, and the verdict was \$100 damages and \$42.60 costs.

THURSDAY, FEBRUARY 18, 1915.

WAR DEPARTMENT.

STATEMENT OF MR. J. C. SCOFIELD, ASSISTANT AND CHIEF CLERK.

CREDIT IN ACCOUNTS OF SYDNEY E. SMITH, DISBURSING CLERK.

The CHAIRMAN. The next item is "The accounting officers of the Treasury are authorized and directed to allow and credit in the accounts of Sydney E. Smith, disbursing clerk, War Department, the sum of \$23.54, being the amount disallowed and charged against him on the books of the Treasury." What is the situation, Mr. Scofield?

Mr. SCOFIELD. We ordered some little file cards and things like that which go into the box indexes. The Chief of the Supply Division bought them and the disbursing clerk paid for them. They were needed to go in a system which we already had in existence. He took it for granted that they were on the schedule of supplies. They were not on the schedule of supplies; something else was on, which was not satisfactory. At that time this new supply committee was just getting under way and they had been allowing things of that kind and then they commenced to draw the line a little tighter.

The CHAIRMAN. When was this?

Mr. SCOFIELD. It is stated in the letter; three or four years ago.

The CHAIRMAN. It is an old item?

Mr. SCOFIELD. Yes, sir.

The CHAIRMAN. The articles were bought by the supply committee?

Mr. SCOFIELD. No, sir; by the chief of our supply division, ordered upon the requisition of some bureau.

The letter of the War Department, under date of January 7, 1915, follows:

WAR DEPARTMENT.

Washington, January 7, 1915.

SIR: The estimates submitted by the War Department for the service of the fiscal year 1916 included an item for a credit in the accounts of Sydney E. Smith, disbursing clerk, War Department, in the sum of \$23.54, being the amount disallowed and charged against him on the books of the Treasury Department. (See Book of Estimates, 1916, p. 74.) The item was not, however, included in the legislative bill as passed by the House, and I have the honor, therefore, to request that you will be good enough to have it included in the general deficiency bill when the same is taken up for consideration by your committee.

Briefly stated, the circumstances surrounding the disallowances against Mr. Smith are as follows:

The Auditor for the War Department disallowed certain items in his accounts for payments made for articles purchased for the War Department during the quarter ending March 31, 1913. The purchases in question were made by the Chief of the Supply Division of the War Department in open market independently of the general schedule of supplies and consisted in part of folders, guides, index cards, etc., amounting to \$21.29. The auditor gave as the reason for disallowing said payment that the articles should have been purchased in accordance with section 4 of the act of June 17, 1910 (36 Stats., p. 531).

The disbursing clerk appealed from the decision of the auditor to the Comptroller of the Treasury setting forth that the articles were purchased to conform in every respect with those already in use because they must necessarily intermingle with them, and there was nothing listed in the schedule of awards that would answer the purpose. An analagous case was also cited where the Secretary of the Treasury had authorized the purchase, independently of the schedule, of file cases which were of

similar design and needed to conform with those already in use. The comptroller, however, affirmed the decision of the Auditor for the War Department, holding that as the supplies in question were provided in the general schedule for the fiscal year 1912 their purchase should have been made in accordance therewith.

The remainder of the disallowance, an item of \$2.25, covered a payment made for Niagara clips purchased by the Chief of the Supply Division for the use of the War Department. This particular clip being desired and not being covered by the schedule, the Chief of the Supply Division was under the impression that he was justified in purchasing them in open market after he had advertised for them. The payment made by the disbursing clerk, War Department, for these clips was disallowed by the auditor on the same grounds that the payment for the folders, etc., was disallowed.

In making the payments which have been disallowed, the disbursing clerk was under the impression that the articles listed in the schedule of awards were not adequate for the purposes and that open-market purchases were therefore justified under the law, and settlement was made on the certificate of the purchasing officer in the belief that all requirements of law had been complied with.

It may be pertinent to remark in this connection that the Government has received and made use of the articles in question and the disbursing clerk can not, within reason, request reimbursement from the parties who furnished the supplies. In order, therefore, that the disbursing clerk will not be required to make good the disallowances now standing against him from private funds, it is sincerely hoped that the necessary legislation for his relief will be embodied in the general deficiency bill.

Very respectfully,

LINDLEY M. GARRISON,
Secretary of War.

HON. JOHN J. FITZGERALD,
*Chairman Committee on Appropriations,
House of Representatives.*

WEDNESDAY, FEBRUARY 17, 1915.

MILITARY ESTABLISHMENT.

STATEMENT OF MAJ. GEN. JAMES B. ALESHIRE, QUARTERMASTER GENERAL, UNITED STATES ARMY.

INCIDENTAL EXPENSES.

The CHAIRMAN. The first item in which you are interested, General, is "Incidental expenses, Quartermaster Corps: For incidental expenses, Quartermaster Corps, including the same objects specified under this head in the Army appropriation act for the fiscal year 1915, \$142,195.19." The appropriation for the current year was \$1,833,127.

Gen. ALESHIRE. That estimate, as submitted, can be reduced to \$121,313.

The CHAIRMAN. Why should you have any deficit at all?

Gen. ALESHIRE. We have no deficit at this time.

The CHAIRMAN. Why should you have?

Gen. ALESHIRE. Well, we will not have; if we do not get this appropriation we can go along as we are now until the 1st of June, and then it will be necessary to furlough employees, and do other things of that sort.

The CHAIRMAN. What is the situation?

Gen. ALESHIRE. The situation is this, sir: That on account of sanitation there is \$52,467.20 required; for the hire of additional employees, \$43,845.80; and for the apprehension of deserters, \$25,000. The amounts for sanitation are required because of the expenses at Vera Cruz, amounting to \$21,500.21, and amounts required for

sanitation in the Canal Zone, \$28,967.05. I can give the amounts required at each of those camps if you desire.

The CHAIRMAN. I wish you would do so.

Gen. ALESHIRE. At Camp E. S. Otis, \$7,600.

The CHAIRMAN. Where is that?

Gen. ALESHIRE. That is the first camp that was established down there, and is at Las Cascadas.

The CHAIRMAN. That is on the Canal Zone?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. You do not need any sanitation down there, do you?

Gen. ALESHIRE. The canal authorities have been doing this work, but after the recent change in administration of affairs there it was put on the military, and that is how we come to ask for these amounts now.

The CHAIRMAN. Was not that included in your estimates for this year?

Gen. ALESHIRE. No, sir.

The CHAIRMAN. Where else?

Gen. ALESHIRE. Empire, \$7,567; Fort Grant, \$2,000.

The CHAIRMAN. Where is that?

Gen. ALESHIRE. I understand that is on the Panama end.

The CHAIRMAN. Is that on Toro Point?

Gen. ALESHIRE. I do not understand that Fort Grant is at Toro Point; I think it is at the other end of the canal.

The CHAIRMAN. It is the camp on the Balboa fill. They are putting a new 6-inch battery there.

Gen. ALESHIRE. I believe it is located at the south end of the canal on the islands Naos, Perico, and Flamenco. Forts Sherman and Randolph, \$6,000; Culebra, \$3,700.05; and Corozal, \$2,100. That makes a total of \$28,967.05.

The CHAIRMAN. That is the sanitary work formerly done by the canal authorities?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. And now shifted to you because your troops are occupying those places?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. And that is for grass cutting, oil sprinkling, and the like?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. You say that was not included in your estimates?

Gen. ALESHIRE. No, sir.

The CHAIRMAN. How much does that amount to?

Gen. ALESHIRE. \$28,967.05 on account of the Canal Zone. There is \$2,000 for the same kind of work on the Mexican border, that amount being necessary to cover the purchase of crude oil required for use in burning out latrines at camps of troops along the Mexican border.

The CHAIRMAN. You say there was \$21,000 at Vera Cruz?

Gen. ALESHIRE. \$21,500.21.

The CHAIRMAN. Did you not include that in your estimates?

Gen. ALESHIRE. No, sir.

The CHAIRMAN. That accounts, then, for the \$52,000. Now, additional employees, \$43,845.80. What about that?

Gen. ALESHIRE. That amount is for additional employees that we have had to employ because of the troops having been withdrawn from several of the posts and they were employed to take care of the posts. We have employed watchmen, two or three men at a post. At the post located at Fort Douglas, Utah, there were 4 watchmen up to December 31, but for the next six months we estimate 2; at El Paso, where we have had to establish an advance depot, there are 33 employees, or were, up to December 31, and they will be continued during the entire year; at Galveston, Tex., watchman and a veterinarian, for which we had made no provision; at Fort Leavenworth, 8 watchmen—they were necessary to take charge of the buildings in the absence of the troops; at St. Louis, 2 temporary clerks to replace 2 permanent clerks who had been detached and are with the troops; at Fort Sam Houston, which was made an advance depot, there are 6 employees—1 clerk and 5 laborers; at Texas City, Tex., there are 4 veterinarians; at the Vera Cruz depot, 12 employees. That makes up the number.

The CHAIRMAN. Were these additional employees necessary because in your estimates you did not take into account the situation arising from the employment of troops away from their regular stations?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. So this is due, then, to the Mexican situation?

Gen. ALESHIRE. I should say entirely so; yes, sir.

The CHAIRMAN. You are asking for \$25,000 for the apprehension of deserters. How much was allotted for that purpose?

Gen. ALESHIRE. There was allotted for this fiscal year \$73,320.99. That is the total amount up to the 31st of March. The original allotment was \$60,000, but at the end of the first six months we found we had to increase the allotment, and we increased it to the amount that I have just given you, \$73,320.99. Now, I considered the desertion and apprehension of deserters during the fiscal year 1914 and 1913 in arriving at the amount in this estimate. In 1913 there were 4,451 desertions. Of that number 1,220 were apprehended by the civil authorities, for which rewards were paid at \$50 each, making \$61,000. In addition to those apprehensions there were apprehended by the military authorities 157, by the naval authorities 37, and there were 813 who surrendered themselves, making a total of 1,007. The total expenditures were \$70,991.52, leaving a balance of \$9,991.52, for the purpose of returning these 1,007 men to the military authorities, and it shows an average cost of \$9.92.

Following a similar course of reasoning, in 1914 the cost for that purpose was \$6.74, and I took the mean of those two averages as the cost for the fiscal year 1915. The Adjutant General reports that during the first six months of this fiscal year 783 deserters were apprehended by the civil authorities, for which rewards of \$50 had to be paid; 89 were apprehended by military or naval authorities, and 650 alleged deserters surrendered to military authorities. With reference to the entire fiscal year, The Adjutant General stated that "it may be

assumed that the number of desertions will be approximately 5,000." He estimates that 1,700 will be apprehended by civil authorities, for which rewards at \$50 each must be paid, and that 1,300 deserters will surrender during the entire fiscal year. Assuming that the number of apprehensions by military and naval authorities during the fiscal year 1915 will approximate the number apprehended during the fiscal year 1914, the number is estimated at 250. Then we have 1,700 apprehensions by civil authorities, at \$50 each, making \$85,000; 1,300 surrenders and 250 apprehensions by military and naval authorities, at an average of \$8.33, making \$12,916, or a total of \$97,916.66, and as we had apportioned \$73,320.99, I took the sum of \$25,000 as being a fair estimate for the remainder of the fiscal year.

The CHAIRMAN. Your desertions amount to about 18 per cent or more of the total force. How do you account for that?

Gen. ALESHIRE. I have a memorandum from The Adjutant General's Office showing the percentage of desertions, based, I understand, on average enlisted contracts during the past 10 years, and for 1915 he has given it as 5.57 per cent, approximated.

The CHAIRMAN. If you are going to have 5,000 desertions out of 80,000 or 90,000 men—

Gen. ALESHIRE (interposing). It is true that that is 5,000 desertions out of an Army the enlisted strength of which is 90,000, or whatever it may be, but these 5,000 desertions are from the number of men who are under enlistment contract, which would be a greater number than the authorized strength of the Army.

The CHAIRMAN. What was it in 1914?

Gen. ALESHIRE. 4.55 per cent, and 1913, 5.48 per cent.

The CHAIRMAN. What has happened that it is going up?

Gen. ALESHIRE. No one seems to understand it, sir.

The CHAIRMAN. I thought you had adopted a system by which you had so ameliorated the condition of the soldiers that you could not drive them off.

Gen. ALESHIRE. In 1909 it was 6.70; in 1908, 7.2, and in 1906, 10.6.

The CHAIRMAN. Has not a policy been adopted by which deserters will be treated more leniently?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. Is that to encourage them to stay in or to come back?

Gen. ALESHIRE. Well, I do not think—

The CHAIRMAN (interposing). Or to go out?

Gen. ALESHIRE. Well, I do not think anyone is prepared to express an opinion as to what effect that is going to have or has had. You refer to the disciplinary barracks where they restore the men, do you not?

The CHAIRMAN. Yes. You took that action once before, did you not—that of abolishing the military prisons?

Gen. ALESHIRE. Yes, sir; I remember they did, and they held them at the posts—held large numbers at the posts.

The CHAIRMAN. You think that this year you want \$98,000 for the apprehension of deserters?

Gen. ALESHIRE. Yes, sir. The expenditures have amounted to \$73,000 already; that is to say, practically already, and based upon

those figures I estimate \$25,000 more, and the Adjutant General concurs in that estimate.

BARRACKS AND QUARTERS.

The CHAIRMAN. The next item is "For barracks and quarters, including the same objects specified under this head in the Army appropriation act for the fiscal year 1915, \$171,655.34." The appropriation was \$2,123,997, and your estimate is \$171,655.34.

Gen. ALESHIRE. I think that estimate, as submitted, can be reduced to \$137,000.

The CHAIRMAN. Why should there be any deficit?

Gen. ALESHIRE. Wholly on account of rentals and the construction of temporary shelters along the border, at Galveston, and in Colorado.

The CHAIRMAN. Your estimate was \$2,123,997?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. Did that contemplate the keeping of the troops on the border?

Gen. ALESHIRE. No, sir. The estimate for 1915, of course, contemplated doing certain new construction work at the posts, but I have forgotten the exact amount that was included in the estimates for new construction under this item, but these amounts are required if we are to carry out the projects for which we submitted estimates and for which we understood the appropriation was made, perhaps not specifically, but we submitted a list of projects with the estimates.

The CHAIRMAN. What is this \$137,000 for specifically, General?

Gen. ALESHIRE. \$72,136.37 is required for rentals.

The CHAIRMAN. What rentals?

Gen. ALESHIRE. I have a list here. Shall I read them off?

The CHAIRMAN. I wish you would; yes.

Gen. ALESHIRE. Galveston (Tex.) warehouses, \$27,730.50; storage space, \$450; quarters for sergeant, \$126; office, \$200; Texas City (Tex.) warehouse, \$1,399.06; camp site, etc., Fifth Brigade, \$6,890; State of Texas, camp sites at various stations, \$1,900; El Paso (Tex.) office, \$240; garage, \$1,041.93; miscellaneous, \$361; Vera Cruz (Mex.) warehouses, offices, quarters, etc., \$2,408.08; Fort Sam Houston, quarters for sergeants, \$90; Mission, Tex., 18 houses for Third Cavalry, \$432; quarters, \$424.80; Louisville, Colo., buildings for troops, \$600; Canyon City, Colo., smelting works for troops, \$1,500; Trinidad, Colo., quarters, land, and buildings, \$2,810; European war, offices and stables for military observers, \$4,800.

The CHAIRMAN. I thought we had a special appropriation for those military observers in the Army bill.

Gen. ALESHIRE. I do not know about it.

The CHAIRMAN. The Army bill which just passed the House, I think, made an appropriation for it.

Gen. ALESHIRE. If the Army bill has got it in I have doubled up on it. That makes \$53,403.37. Now, those are the expenditures up to December 31, and during the remaining six months we estimate that \$18,733 will be required, which makes a total of \$72,136.37.

The CHAIRMAN. And now you are asking for \$137,000?

Gen. ALESHIRE. The balance is for the construction of temporary shelters.

The CHAIRMAN. I thought you had those troops all under cover down there.

Gen. ALESHIRE. No, sir.

The CHAIRMAN. The provision in the Army appropriation bill is as follows:

For the actual and necessary expenses of officers of the Army on duty abroad for the purpose of observing operations of armies of foreign States at war, to be paid upon certificates of the Secretary of War that the expenditures were necessary for obtaining military information, \$15,000: *Provided*, That the actual and necessary expenses of officers of the Army who, after July first, nineteen hundred and fourteen, have been on duty abroad for the purpose of observing operations of armies of foreign States at war, and of officers who may hereafter be on duty abroad for that purpose, shall be paid out of the appropriation for contingencies of the military information section, General Staff Corps, upon certificates of the Secretary of War that the expenditures were necessary for obtaining military information; and the amount appropriated for such contingencies by an act entitled "An Act making appropriations for the support of the Army for the fiscal year ending June thirtieth, nineteen hundred and fifteen," approved April twenty-seventh, nineteen hundred and fourteen, is increased to \$26,000.

Gen. ALESHIRE. I overlooked that, sir.

Mr. COURTS. Is that available at once?

The CHAIRMAN. It increases the appropriation of 1915. Does not that cover your item?

Gen. ALESHIRE. Yes, sir; if that amount, or any of it, is available for this fiscal year, then this item is not required.

The CHAIRMAN. And it would come off of your \$137,000?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. What about the temporary shelter?

Gen. ALESHIRE. I have a list of shelters which were constructed up to the 31st of December, and the total is \$109,028.52. I have reduced that to \$62,863.63 by using such funds as I could make available.

The CHAIRMAN. What do you mean by shelter?

Gen. ALESHIRE. For instance, at Mission, San Fordyce, and Ringgold, Tex., materials for kitchens and mess shelter, Third Cavalry, \$255.72. At the same place, shelter for animals, Third Cavalry, \$598.89. Fort Bliss, Tex., material for stable, \$13.37. Fort Ringgold, Tex., materials for seven mess halls and kitchens for troops, Twentieth Infantry, \$1,103.36. Fort Bliss, Tex., material for enlarging stable, \$80.10. Laredo, Tex., material for shelter, Sixth Field Artillery, \$603.97. I have a long list of just such items, aggregating \$109,028.52. We have been able to make available \$44,164.89, making the amount now required \$64,863.63.

NOTE.—The list referred to is the following:

Place.	Character of shelter.	Expenditures to Dec. 31, 1914.
Vera Cruz, Mexico.....	Temporary headquarters.....	\$10,000.00
Mission, San Fordyce, and Ringgold, Tex.	Materials for kitchens and mess shelter, Third Cavalry.	255.72
Do.....	Shelter for animals, Third Cavalry.....	598.89
Fort Bliss, Tex.....	Material for stable.....	13.37
Fort Ringgold, Tex.....	Materials for 7 mess halls and kitchens for troops, Twentieth Infantry.	1,103.36

Place.	Character of shelter.	Expenditures to Dec. 31, 1914.
Fort Bliss, Tex.....	Material for enlarging stable.....	\$80.10
Noria, N. Mex.....	Material for shelter, Troop A, Thirteenth Cavalry.....	208.95
Laredo, Tex.....	Material for shelter, Sixth Field Artillery.....	603.97
Brownsville, Tex.....	Material for 2 shelters for animals, Battery D, Sixth Field Artillery.....	660.00
Fort Sam Houston, Tex.....	Material for completion of stable.....	53.40
Do.....	Material for shelter for lance trucks.....	192.13
El Paso, Tex.....	Rebuilding kitchen and mess quarters destroyed by storm.....	200.00
Sierra Blanca, Tex.....	Lumber for stable.....	64.24
Hartlingen, San Benito, Mercedes, and Danner, Tex.....	Kitchens, mess halls, etc.....	2,634.56
Nogales, Ariz.....	Bathhouse.....	132.77
Presidio, Tex.....	Mess shelter.....	132.00
Marfa, Tex.....	Mangers for pack train.....	46.00
Do.....	Stables, Troop E, Fifteenth Cavalry.....	317.00
Eagle Pass, Tex.....	Rebuilding privy.....	16.00
Camp Tecate, Cal.....	Kitchens, shelter, etc.....	2.32
Alpine, Tex.....	Shelter for auto truck.....	32.00
Fort Bliss, Tex.....	Shelter for animals.....	11.65
Do.....	Pears.....	28.00
Sierra Blanca, Tex.....	Material for stable.....	64.24
Galveston, Tex.....	Ambulance and wagon shed.....	151.73
Yuma, Ariz.....	Corrugated iron.....	351.60
Fort Bliss, Tex.....	Mess halls and kitchen.....	883.84
Naco, Tex.....	Material for two stables.....	660.00
Columbus, N. Mex.....	Corral material.....	162.45
Brownsville, Tex.....	do.....	468.93
El Paso, Tex.....	do.....	170.84
Do.....	do.....	118.77
Camp Tecate, Cal.....	Material for troop shelter.....	246.75
Columbus, N. Mex.....	Material for veterinary hospital.....	137.78
Eagle Pass, Tex.....	Bath facilities.....	18.72
Douglas, Ariz.....	do.....	33.90
Fort Bliss, Tex.....	Bathhouse.....	170.82
Do.....	Extension of stable.....	165.00
Brownsville, Tex.....	Construction for mangers.....	390.40
Fort McIntosh, Tex.....	Radio shelter.....	63.76
Yuma, Ariz.....	Lumber.....	52.00
Brownsville, Tex.....	do.....	1,042.52
Do.....	Bakery shelter.....	134.56
San Diego, Cal.....	Stable.....	885.00
Fort Clark, Tex.....	2 hay sheds.....	518.00
Galveston Depot, Tex.....	Supplies and services.....	14,912.50
Mexican border.....	Material and labor for framing and flooring tents, construction of kitchens, mess shelter, shelter for animals, and supplies and screening and boarding up temporary headquarters at various stations.....	48,331.03
Oak Creek, Colo.....	Building for quartering officers.....	300.00
Cannon City, Colo.....	Shelter for men and animals of four detachments.....	600.00
Prairie Creek, Ark.....	Shelter for animals, Fifth Cavalry.....	800.00
Trinidad, Colo.....	Temporary buildings.....	4,800.00
Do.....	Mess halls, stables, kitchens, etc.....	7,282.00
Oak Creek, Colo.....	Stables, kitchen, flooring tents, etc.....	1,355.00
Louisville, Colo.....	Shelter for troops and animals.....	6,373.00
Oak Creek, Colo.....	Feed boxes.....	114.05
Total.....		109,028.52

The CHAIRMAN. Is that absolutely essential?

Gen. ALESHIRE. It is very essential if we are to carry out the plans of new construction of buildings that this appropriation carries funds for.

The CHAIRMAN. Why?

Gen. ALESHIRE. Barracks and quarters; I have a list of the posts here.

The CHAIRMAN. How much of this amount is absolutely essential and how much can be deferred?

Gen. ALESHIRE. All of these funds have been obligated, and we come and ask for the \$64,863.63 for temporary shelter so as to enable us to continue the plans for the new construction. If this

amount, \$64,863.63, or the other amount for rentals is not appropriated, why, of course, we will have to take the matter up with the Secretary and ascertain which of the projects are not to be carried out.

Mr. Sisson. What do you mean by "temporary shelter"?

Gen. ALESHIRE. For instance, at Brownsville, Tex., there is an abandoned post, or there was a post there, and troops were sent down there to patrol the border. They wanted to put the animals under shelter, and they built two shelters of rough boards and such material, and the cost of those two shelters for the animals for the battery of the Sixth Field Artillery was \$660. It is cheaper than to buy paulins to put over frames, because the paulins do not last long where it is rained on and exposed.

Mr. Sisson. These barracks and quarters that you are erecting are not temporary; they are permanent?

Gen. ALESHIRE. They are permanent.

The CHAIRMAN. If you should abandon some of the new construction at some of these posts, you would have plenty of money?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. And you would not need all of this money?

Gen. ALESHIRE. No, sir.

TRANSPORTATION OF THE ARMY.

The CHAIRMAN. The next item is "Transportation of the Army and its supplies," and the appropriation is \$10,164,645, and you are asking for \$3,100,586.66?

Gen. ALESHIRE. When this estimate was submitted it was based upon reports we had up to the last of December. According to later reports we can reduce that estimate by \$127,382.69, or reduce it to \$2,953,203.97.

The CHAIRMAN. Why do you want this money?

Gen. ALESHIRE. This amount is required to meet the expenditures under the following heads: Transport service, \$2,063,355.15; additional civil employees, \$191,410.97; supplies, depot stock, \$41,306.11; services, \$9,775; railroad equipment, maintenance and operation, \$5,194; reimbursement of traveling expenses, civil employees, \$12,161.83, and transportation accounts, \$630,000. Transport service, for the purpose of explanation, I divide into two general parts—charter of transports, \$977,706.36 up to December 31, and operation and maintenance of transports, which cost up to December 31, plus the amount estimated to be required during the remainder of the year, \$1,085,648.79. I have a list of the transports chartered, showing their owners, from whom chartered, the size of the ships chartered, the rate per day, the period during which they were under charter, the actual cost of charter, and the cost of restoration to the owners at the expiration of the charter period.

The CHAIRMAN. Please put that in the record.

Gen. ALESHIRE. Yes, sir.

(The statement referred to follows:)

Chartered transports in service, fiscal year 1915.

Name of vessel.	Owner.	Gross tons.	Capacity.		Charter rate per day.	Under charter, 1914.		Actual cost of charter.	Cost of restoration to owners at expiration of charter, etc.
			Men.	Animals.		From—	To—		
Antilla.....	New York & Cuba Mail Steamship Co.	3,398	528	.....	\$720.00	Nov. 21	Nov. 29	\$7,207.57	\$15.50
San Marcos.....	Mallory Steamship Co.	3,000	377	320	600.00	July 1	Dec. 12	98,476.80	2,400.47
Denver.....	do.....	5,000	1,275	.....	910.00	do.....	Dec. 11	147,520.10	3,563.78
Colorado.....	do.....	3,000	55	411	442.00	do.....	Sept. 23	35,585.26	231.37
Satilla.....	Atlantic, Gulf & West Indies Steamship Co.	2,667	90	308	450.00	do.....	do.....	37,168.81	213.40
Ossabaw.....	do.....	2,667	90	322	425.00	do.....	do.....	35,119.04	225.63
City of Memphis.	Ocean Steamship Co.	5,252	1,265	.....	1,000.00	do.....	Dec. 14	164,823.40	15,407.55
City of Macon.....	do.....	5,311	1,255	.....	1,000.00	do.....	Oct. 8	98,099.02	11,141.42
Kansas.....	American-Hawaiian Steamship Co.	7,913	134	868	1,200.00	do.....	Dec. 9	191,842.00	No cost.
Minnesotan.....	do.....	6,655	122	812	900.00	do.....	Oct. 3	81,351.50	2,581.42
Panaman.....	do.....	6,649	103	772	900.00	do.....	do.....	80,512.86	1,795.19
Total.....		50,664	4,756	3,813	8,547.00			977,706.36	37,575.73

NOTE.—The amounts shown under "Cost of restoration to owners at expiration of charter, etc.," include the cost of tearing out fittings installed at time of charter, towing, stevedoring, barge hire, pilotages, and miscellaneous port charges.

The charter rate was determined upon by an agreement with the Navy Department to limit the allowance to \$0.20 per gross ton for troop ships and \$0.16 per gross ton for animal ships, this being based upon the average prices demanded by vessel owners when several ocean steamers were chartered in connection with Cuban intervention in 1906. The prices actually paid for the chartered ships during fiscal year 1915 averaged \$0.193 per gross ton for troop ships and \$0.156 per gross ton for animal ships. In this connection it may be stated that when an attempt was made to ascertain what vessels could be chartered by the Government for use in August, 1914, for transportation of American citizens from Europe, it was found that owners refused to charter any of their vessels at so low a rate as was being paid for the vessels then under charter to the Government, even though the Government under the terms of the charter parties assumed the war risk.

The CHAIRMAN. What is this transport service for?

Gen. ALESHIRE. The 11 ships included in this list and which were under charter have all been released; they have gone. December 14, I think, was the day on which we released the last chartered ship. Those ships are not in the service now. We have now in the service under commission on the Atlantic coast four transports, *Kilpatrick*, *Sumner*, *Buford*, and the *McClellan*. The *McClellan* is a refrigerator ship.

The CHAIRMAN. Have you not the *Cristobal*?

Gen. ALESHIRE. We turned her back. We had the *Cristobal* up to January 31.

I have the expenses for the operation and maintenance of the transports still further divided. For employees we ask \$275,253.23; for supplies, \$137,161.36—I have this divided so I can tell you the total amount expended to December 31, how much of this amount was for Government-owned transports, and for the chartered ships, and the amount we estimate for the rest of the fiscal year.

The CHAIRMAN. Please put that statement in the record.

Gen. ALESHIRE. Yes, sir.

GENERAL DEFICIENCY BILL, 1915.

Amount available for expenditure after July 1, 1914.....	\$194, 153. 52
Amount expended, as shown above, after July 1, 1914.....	137, 964. 00
Balance.....	56, 189. 52
To this amount there should be added:	
Amount charged in expenditures (savings on ration account) which the Auditor for the War Department directed be deposited.....	6, 000. 00
Balance remaining available for expenditure.....	62, 189. 52
Amount required to meet liabilities.....	132, 842. 65
Amount available to meet above liabilities.....	62, 189. 52
	70, 653. 13
Amount required for care of remaining interns until June 30, 1915.....	600. 00
Amount of deficiency submitted.....	71, 253. 13
Credits: RECAPITULATION.	
Appropriated by act of Apr. 6, 1914.....	\$500, 000. 00
Appropriated by act of July 29, 1914.....	170, 000. 00
Savings on rations deposit.....	6, 000. 00
	676, 000. 00
Debits:	
Expenditures as per Statements A and B.....	475, 846. 48
Expenditures since July 1, 1914 (includes \$6,000 erroneously charged as expenditure).....	137, 964. 00
Required for care of remaining prisoners to June 30, 1915.....	600. 00
	747, 253. 13
Total debits.....	747, 253. 13
Total credits.....	676, 000. 00
Amount of deficiency.....	71, 253. 13

The CHAIRMAN. What I had in mind was whether you could give us a statement as to the number of officers.

Gen. ALESHIRE. Yes, sir. Here is perhaps just what you want, a statement showing the number of men and women each month.

Statement showing number of internes and their stations from January to October, 1914.

Post or station.	Jan. 31.	Feb. 28.	Mar. 31.	Apr. 30.	May 31.	June 6.	July 1.
Fort Wingate, N. Mex.:							
Officers and enlisted men...	3, 606	3, 632	3, 369	3, 356	3, 347	3, 347	303
Officers.....							3, 029
Enlisted men.....							1, 003
Women.....	(1)	1, 260	1, 022	1, 000	1, 004	1, 004	453
Children.....	(1)	508	508	501	512	512	73
Children under 12.....							
Children over 12.....							
Camp followers.....	(1)	(1)	55	55	20	20	
Total.....	3, 606	5, 447	4, 954	4, 912	4, 883	4, 883	4, 861
Brownsville, Tex.:							
Officers and enlisted men...	27	27	27	26	25	25	25
Fort McIntosh, Tex.:							
Officers and enlisted men...	37	40	21	23	21	21	20
Fort Rosecrans, Cal.:							
Officers and enlisted men...	420	378	378	375	375	374	25
Officers.....							348
Enlisted men.....							95
Women.....	(1)	(1)	(1)	(1)	(1)	99	33
Children.....	(1)	(1)	(1)	(1)	(1)	33	33
Children under 12.....							9
Children over 12.....							
Total.....	420	378	378	375	375	506	510
Grand total.....	4, 090	5, 892	5, 380	5, 336	5, 304	5, 435	5, 416

¹ None reported.

Statement showing number of internees and their stations from January to October, 1914.

Post or station.	July 31.	Aug. 1.	Aug. 31.	Sept. 1.	Sept. 30.	Oct. 1.	Oct. 31.
Fort Wingate, N. Mex.:							
Officers.....	287	287	287	287	0	0	0
Enlisted men.....	2,988	2,988	2,884	2,884	0	0	0
Women.....	1,000	1,000	987	987	0	0	0
Children.....					0	0	0
Children under 12.....	467	467	460	460	0	0	0
Children over 12.....	73	73	73	73	0	0	0
Camp followers.....					0	0	0
Total.....	4,825	4,825	4,691	4,691	0	0	0
Brownsville, Tex.:							
Officers and enlisted men...	23	23	22	22	0	0	0
Fort McIntosh, Tex.:							
Officers and enlisted men...	20	20	20	20	0	0	0
Fort Rosecrans, Cal.:							
Officers and enlisted men...					0	0	0
Officers.....	25	25	25	25	25	25	0
Enlisted men.....	346	346	346	346	352	346	0
Women.....	94	94	93	93	93	93	0
Children.....							0
Children under 12.....	35	35	34	34	34	34	0
Children over 12.....	11	11	11	11	11	11	0
Total.....	511	511	509	509	515	509	0
Grand total.....	5,379	5,379	5,242	5,242	515	509	0

NOTE.—Interned Mexican soldiers and military refugees referred to at Fort Wingate, N. Mex., were formerly held at Fort Bliss, Tex.

The CHAIRMAN. This statement is of the 10th of January, 1914.

Gen. ALESHIRE. The first of them came on March 13, 1913.

The CHAIRMAN (reading):

On March 13, 1913, 203 Mexicans were driven across the border at Nogales, and on April 13, 1913, 324 were driven across at Naco, Ariz. Subsequently, a portion of these started for Juarez and were detained at El Paso. The total number (527) detained at El Paso, Nogales, and Naco were transferred to San Diego, Cal., where they arrived August 7, 1913. They were held at San Diego, Cal., until released.

You had 527 who were held from March and April until August 7?

Gen. ALESHIRE. They arrived at San Diego August 7 and remained there until released, September last.

The CHAIRMAN. And they were released?

Gen. ALESHIRE. They arrived at San Diego that date, and those people were held until September and were then released.

The CHAIRMAN. And on June 3, 1913, 107 Mexican Federals crossed the border and surrendered at Brownsville, Tex., where they were held until subsequently released?

Gen. ALESHIRE. They were held there until released.

The CHAIRMAN. On January 9, 1914, 100 wounded Mexicans were driven across the border at Laredo, and cared for by the Red Cross. As soon as they were discharged from the hospital they were interned at Fort McIntosh, Tex., where they were held until released.

On January 10, 1914, you had 7 general officers, 62 field officers, 440 other officers, 3,212 enlisted men, 1,081 women, and 513 children who crossed the Rio Grande at Ojinaga, and on January 16, 1914, they were sent to Fort Bliss, Tex., and interned at that place. On May 4, 1914, these interned Mexican soldiers and military refugees were transferred to Fort Wingate, N. Mex., where they were subsequently released?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. Who have you now?

Gen. ALESHIRE. We have five people held at Fort Bliss, Tex.

The CHAIRMAN. And this deficiency is to meet the obligations incurred heretofore?

Gen. ALESHIRE. Yes, sir; and \$600 of it is to maintain these five people.

The CHAIRMAN. What happened to these people when they were released?

Gen. ALESHIRE. Most of them were sent to Eagle Pass and turned over to the Mexican authorities at the town just across from Eagle Pass called Piedras Negras. Several of them elected to remain north of the border, and I have here a memorandum of all that, if you would like to have me read it.

The CHAIRMAN. Yes; I wish you would read it.

Gen. ALESHIRE. This movement of sending them home commenced on September 22, 1914, from Fort Wingate. There were 2,861 men, 852 women, and 434 children transported to Piedras Negros; 10 men with 3 women and 2 children, being immediate members of the families of officers, were released at Fort Wingate; 12 men, 5 women, and 2 children were taken to El Paso by the immigration officers and subsequently released by them; 5 officers were taken to Fort Bliss and confined, subject to further orders, and those are the five for which the \$600 is asked. The remaining officers, after being passed by the immigration inspector were furnished transportation for themselves and families to the following destinations: Bowie, Ariz., 1 man, 3 women, and 4 children; Brownsville, Tex., 1 man, 1 woman, 2 children; Calixto, Tex., 1 man, 1 woman; Canutilo, Tex., 1 man; Del Rio, Tex., 1 man, 1 woman, and 1 child; Clifton, Ariz., 3 men, 2 women; Deming, N. Mex., 2 men, 1 woman; Douglas, Ariz., 7 men, 1 woman; Eagle Pass, Tex., 5 men, 1 woman, 1 child; Elephant Butte, N. Mex., 1 man; El Paso, Tex., 179 men, 82 women, and 52 children; Gallup, N. Mex., 2 men, 2 women, 5 children; Gibson, N. Mex., 1 man, 1 woman; Guam, N. Mex., 12 men, 1 woman; Indio, Cal., 9 men, 5 women, 2 children; Lake View, N. Mex., 1 man; Laredo, Tex., 1 man, 1 woman, 3 children; Las Cruces, N. Mex., 13 men, 5 women, 4 children; Los Angeles, Cal., 3 men; Metcalf, Ariz., 8 men, 4 women, 3 children; Mogollon, N. Mex., 1 man; Morenci, Ariz., 3 men, 1 woman, 1 child; Nogales, Ariz., 3 men; San Antonio, Tex., 2 men and 2 women; Stockton, Cal., 2 men, 2 women, 2 children; Wingate, N. Mex., 9 men, 4 children; Yorktown, Tex., 4 men, 4 children; which makes a total of 276 men, 125 women, and 80 children, who went to those destinations, respectively, upon release.

The CHAIRMAN. What was the largest number you had at any one time?

Gen. ALESHIRE. Do you mean at all the places of internment?

The CHAIRMAN. Yes; the largest number you had all told.

Gen. ALESHIRE. I can answer that question absolutely since the 31st of January, 1914. I have not those details of an earlier period with me. The largest number was in the month of February, one year ago, 5,892 at one time at all the places.

The CHAIRMAN. What situation arose which enabled you to turn them loose?

Gen. ALESHIRE. I only know in a general way. I have some of the correspondence here. The State Department was able to make arrangements with the authorities, Gen. Villa and Gen. Carranza, by which they both guaranteed protection to these people. Gen. Carranza gave instructions at Piedras Negras that they should be fed and cared for, and Gen. Villa guaranteed protection to them in the part of the country under his control; and, based upon that, the prisoners were released, and some of them (4,147 men, women, and children) were sent across the border at Piedras Negras. It was arranged, through the State Department, as I understand, although I do not know the details, to give these people transportation to any point where the cost would not be in excess of transportation that they would have gotten had they gone to Piedras Negras and crossed the border at that point, provided they satisfied the immigration officers that they were all right and fit subjects to remain in the country.

The CHAIRMAN. You mean to remain here?

Gen. ALESHIRE. Yes, sir; in the United States.

The CHAIRMAN. No one was permitted to remain unless he satisfied the immigration authorities?

Gen. ALESHIRE. No, sir. The list I read shows the remaining officers after being passed by immigration inspectors who were furnished transportation for themselves and families to the points I read. The other lot, as I read just previous to that—2,861 men, 852 women, 434 children—were sent to Piedras Negras and then sent across the border.

The CHAIRMAN. Did any of them object to going back?

Gen. ALESHIRE. No, sir. I read a very interesting report written by one of the officers who was on duty with one of the companies in charge of these internes most of the time, and they did not object to going back and were very anxious at all times to get away from their confinement. The way in which our troops handled them was most satisfactory to all concerned, the Mexicans themselves and this Government. They were practically all either enlisted men or officers, except of course the women and children, and they were organized into companies, the men being assigned to the same companies they were in when they were serving as Mexican troops. The whole camp was placed under the command of the senior Mexican officer, of course, under the supervision of our troops that were with them, and he commanded that camp in accordance with the instructions he received. They had men on guard and regular camp police, did their own cooking, and everything of that sort.

Mr. Sisson. They were really prisoners?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. Five are still interned. Why are they retained?

Gen. ALESHIRE. I thought I had their names here. They were retained for some special offense. I think one of them is the man who blew up the tunnel that we read about more than a year ago. I will insert their names in the record.

The names of the five Mexicans detained are: Jose Inez Salazar, Maximo Castillo, Rodrigo Quevedo, Jesus San Martin, and Augustin Escudero.

Mr. Sisson. How long were these men interned?

Gen. ALESHIRE. The first of them came in March, 1913, and another batch in April, and another batch in June, and some more in January following—two lots in January. The largest number came in the month of January, after the battle at Ojinaga. The first lot were finally interned at San Diego, Cal., and a small number at Fort McIntosh, across the border at Laredo, some at Brownsville, Tex., and the larger lot first at Fort Bliss and later, May 4, 1914, at Fort Wingate.

Mr. Sisson. These people were fed out of the regular Army rations, and this is to reimburse—

Gen. ALESHIRE (interposing). They were fed at an average cost of 18 cents a day per capita.

Mr. Sisson. And this is to reimburse the Army for those rations?

Gen. ALESHIRE. When they first came in the possession of the authorities here we expended the Army appropriations, and the first appropriation made under this heading of \$500,000 was for the reimbursement of our appropriations, but the amount of this estimate will really go for the transportation of these people away from this country.

Mr. Sisson. This amount of \$71,200?

Gen. ALESHIRE. Yes, sir; that is the only obligation we have now, whatever the amount is that is due for transportation, and it has not been settled, but will have to be paid from this appropriation. I made a rough estimate as to the per capita cost; I do not submit this as the correct cost, but only as an approximate cost.

According to this recapitulation there were at Fort Bliss and at Wingate, commencing on January 10, 1914, and extending to the time of their release, an average of 5,315 people, at San Diego 527, at Brownsville 107, at McIntosh 100. That would seem to indicate that the total average was approximately 6,149. Considering the total expenditures for all the transportation, all the food and clothing, preparation of camps, and all other expenditures, the average per capita cost is approximately \$121.

Mr. Sisson. That is for about one year?

Gen. ALESHIRE. I think it is a little more than that. It commences in March, 1913. That is nearly approximately 18 months.

Mr. Sisson. That would be less than \$10 a month.

Gen. ALESHIRE. Yes, sir; less than that. The per capita cost per month would be approximately \$7.70.

Mr. Sisson. There is no probability of any of this money being paid back by the Mexican Government?

Gen. ALESHIRE. I do not know about the probability. I understand that it is a proper claim by the United States against the Mexican Government.

Mr. Sisson. And it would have to be taken up after peace is declared?

Gen. ALESHIRE. Yes, sir.

TRANSPORTATION OF TROOPS TO PANAMA PACIFIC INTERNATIONAL EXPOSITION.

The CHAIRMAN. "Panama-Pacific International Exposition: For transportation of troops and equipment to and from the Panama-

Pacific International Exposition, for preparing camp sites, construction of buildings, installation of water system, oiling of roads, and so forth, \$78,865.90, to be immediately available and to remain available until the end of the fiscal year nineteen hundred and sixteen."

Gen. ALESHIRE. That amount is estimated for these several purposes: For construction of 10 field kitchens and 10 field shelters required to enable 10 companies of coast artillery at Fort Winfield Scott to maintain model encampments during the period of the Panama-Pacific International Exposition, \$5,055.

I may state, Mr. Chairman, that these several requests were referred to the Quartermaster General's Office when they came in from the department commander of the Western Department, and invariably they were returned with a statement that we had already incurred deficiencies in certain appropriations and there were no funds available for these purposes, and therefore the Secretary of War directed that they be submitted as one appropriation for the consideration of this committee.

The next item is for material and labor required to construct temporary buildings required at Presidio of San Francisco for use of the schools for bakers and cooks at the Panama-Pacific International Exposition, \$3,717.86.

Mr. Sisson. What sort of school are you going to have there?

Gen. ALESHIRE. Mr. Sisson, the idea was to have as an exhibit the bakers and the cooks' school which we have established at the Presidio of Monterey, where we instruct our bakers and our cooks. We have one there, one at Fort Sam Houston, one at Fort Leavenworth, and one at Washington Barracks. Those in charge of the exhibits desired to have the school for bakers and cooks come up there and show how they make bread and operate the field bakeries, and matters of that sort.

The CHAIRMAN. Outside of the item of \$10,000 for transportation, the balance of it is for an Army exhibit?

Gen. ALESHIRE. Yes, sir.

The CHAIRMAN. What has been done by the War Department toward making an exhibit out of its allotment of the \$500,000 provided by Congress for Government exhibits?

Gen. ALESHIRE. I do not know, Mr. Chairman.

The CHAIRMAN. Congress made an appropriation of a half a million dollars and appointed a board to arrange for the Government exhibits and allot to the various departments a certain amount, and they had to make their plan and estimate the expense so that the whole thing would be done within that half a million dollars. This is asking us to appropriate in addition to that appropriation for another Government exhibit?

Gen. ALESHIRE. I do not know anything about that, Mr. Chairman. Mr. Scofield had charge of that.

The CHAIRMAN. \$10,000 of this estimate is for transporting one regiment of Infantry from Vancouver Barracks to San Francisco and return. Is there not a regiment of Infantry at the Presidio?

Gen. ALESHIRE. No; all of those troops are on the Mexican border.

The CHAIRMAN. All the troops at San Francisco?

Gen. ALESHIRE. The whole brigade that belongs to San Francisco is at the border; in fact, that regiment of infantry at Vancouver is

the only regiment on the Pacific coast which is not on the Mexican border.

The CHAIRMAN. You are not familiar, then, with this situation?

Gen. ALESHIRE. No, Mr. Chairman. Mr. Scofield has charge of some exhibit, but I did not know he had anything to do with this.

The CHAIRMAN. We appropriated half a million dollars for the Government exhibit, and we supposed it included all the exhibit.

Gen. ALESHIRE. I do not know. I might call attention to the fact that this amount was based upon having a brigade of infantry, and the one item there, preparing camp sites, water and sewer systems, \$29,175, can be reduced by \$17,175.

The CHAIRMAN. "Cost of preparing camp sites (framing and flooring of tents), labor to be performed by troops," is \$9,175. The \$29,175 must include that item and also "Cost of labor and material to install water system and necessary connections for camp" and "Cost of electric lighting?"

Gen. ALESHIRE. Yes, sir. That can be reduced for the reason that the estimate was based upon a brigade, and there will only be a regiment there. That amount was \$78,865.90, and deducting \$17,175 leaves a balance of \$61,690.90.

THURSDAY, FEBRUARY 18, 1915.

STATEMENT OF BRIG. GEN. WILLIAM C. GORGAS, SURGEON GENERAL, UNITED STATES ARMY.

MEDICAL TREATMENT—CANAL ZONE PATIENTS.

The CHAIRMAN. General, we have this item before us:

Hospital care, Canal Zone garrisons: For paying the Panama Canal such reasonable charges, exclusive of subsistence, as may be approved by the Secretary of War for caring in its hospitals for officers, enlisted men, military prisoners, and civilian employees of the Army admitted thereto upon the request of proper military authority, \$45,000: *Provided*, That the subsistence of the said patients, except commissioned officers and acting dental surgeons, shall be paid to said hospitals out of the appropriations for subsistence of the Army at the rates provided therein for commutation of rations for enlisted patients in the general hospitals: *Provided further*, That of this sum \$2,000 shall be available to pay the canal for similar services rendered during the month of June, nineteen hundred and fourteen.

Will you please explain the situation, generally?

Gen. GORGAS. Up to June 1, 1914, and previously the Army had an arrangement with the Isthmian Canal Commission whereby for their actual cost patients from the troops stationed on the Isthmus were taken care of in the Ancon Hospital. After the Isthmian Canal Commission was abolished the governor thought that the canal government could not afford any longer to treat soldiers sick in hospital at the prevailing rate—that is, cost of ration—and the canal government should charge the Army, perhaps, \$1.50 a day for those patients. This sum is to cover the last month, the month of June, of the preceding year and the present fiscal year.

The CHAIRMAN. They were taken care of at the actual cost?

Gen. GORGAS. At the actual cost of food, which amounted to about 30 cents a day.

The CHAIRMAN. Without any charge for the overhead?

Gen. GORGAS. Nothing was said about that.

The CHAIRMAN. The Army just paid the subsistence?

Gen. GORGAS. Yes, sir.

The CHAIRMAN. And no part of the cost of maintaining the hospitals?

Gen. GORGAS. No, sir. We furnished some commissioned officers, detailed like Mason and a half a dozen doctors, but it was not done in that connection as a set-off.

The CHAIRMAN. There was no set-off.

Gen. GORGAS. No, sir. I was detailed and half a dozen Army officers were detailed to report to the commission, and some worked in the hospitals.

The CHAIRMAN. The proposition is to care for everybody in the Isthmian Canal hospitals?

Gen. GORGAS. Yes, sir; enlisted men.

The CHAIRMAN. The Army paying the actual cost?

Gen. GORGAS. It is supposed to cover the actual cost; \$1.50 they want to make it now. I think that will give them a little profit, but it is not an excessive price.

The CHAIRMAN. This provides that the subsistence shall be paid out of the appropriation for subsistence of the Army, such an amount as you would allow an army hospital for subsistence?

Gen. GORGAS. Yes, sir; 40 cents a day.

The CHAIRMAN. And some sum in addition?

Gen. GORGAS. We would pay from the medical appropriation, if you allow this sum, \$1.10 a day.

The CHAIRMAN. \$43,000 is for the current fiscal year and \$2,000 is for the month of June, 1914?

Gen. GORGAS. Yes, sir.

The CHAIRMAN. Such an arrangement would then just provide for the one hospital system as heretofore?

Gen. GORGAS. Yes, sir; the present hospital at Ancon. It is carrying on the present system, with the exception of the increased cost to the Army appropriation.

The CHAIRMAN. You estimate \$45,000. Is that based upon the number?

Gen. GORGAS. That is on the idea that the average up to the present time is 4,400 men, and after that for the rest of the fiscal year 5,600 men. That is the basis of the estimate.

The CHAIRMAN. The hospitals, as a matter of fact, are in charge of Army physicians?

Gen. GORGAS. Actually; yes, sir; but they are entirely separate from the Army.

The CHAIRMAN. I understand. The Army physicians conduct them, i. e., superintendent of hospital, and they have to be conducted on the line of Army hospitals?

Gen. GORGAS. Yes, sir; almost exactly. I should not say exactly, because we have not any enlisted men down there.

The CHAIRMAN. You organized the hospital system, and it is continued upon the methods of the Army?

Gen. GORGAS. Yes, sir.

The CHAIRMAN. When did this new arrangement start?

Gen. GORGAS. We have not paid any yet. It was to start the 1st of last June.

The CHAIRMAN. And this is to enable you to meet the obligations?

Gen. GORGAS. Yes, sir.

The CHAIRMAN. The Army bill contains an appropriation, inserted in the Senate, of \$85,000 for next year?

Gen. GORGAS. Yes, sir.

The CHAIRMAN. That was based on an estimate you prepared?

Gen. GORGAS. The same thing, only a larger body of men, 8,200 men.

WEDNESDAY, JANUARY 13, 1915.

NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

STATEMENTS OF COL. FRED. J. CLOSE, PRESIDENT BOARD OF MANAGERS, AND MAJ. MOSES HARRIS, GENERAL TREASURER.

NORTHWESTERN BRANCH, MILWAUKEE, WIS.

SUBSISTENCE.

The CHAIRMAN. The first item is "Northwestern Branch, Milwaukee, Wisconsin: For subsistence," and the appropriation was \$135,000 and you are asking a deficiency of \$4,500?

Maj. HARRIS. That is due to the unexpected increase in the membership and to the high prices.

The CHAIRMAN. The high prices of what?

Maj. HARRIS. Principally food supplies, flour, and meats of all kinds.

The CHAIRMAN. Can you give us a statement, Major?

Maj. HARRIS. The actual increase in the membership was only six, less than I thought—a very small item—but the fact remains that they are short in their supplies and will have to be helped out in some way. I have here a statement of 21 staple of articles of supplies, and these articles figured at the prices current a year ago, the fiscal year of 1914, would have cost \$519,872.46.

The CHAIRMAN. For all the branches?

Maj. HARRIS. The quantities of these different articles for all the branches of the home. The same articles have actually cost, for 1915, \$573,777, which makes an actual increase in cost during that period of \$53,905.

(The table submitted by Maj. Harris follows:)

Items.	Cost.		Amount pur- chased 1915.	Increase.		Decrease.	
	1914	1915		Figured at 1914 prices.	Figured at 1915 prices.	Figured at 1914 prices.	Figured at 1915 prices.
	<i>Pound.</i>	<i>Pound.</i>	<i>Pounds.</i>				
Corn meal.....	\$0.0203	\$0.0224	70,080	\$1,422.63	\$1,569.79		
Flour, assorted.....	¹ 2.1675	¹ 2.305	¹ 20,085	43,534.24	46,295.93		
Oleomargarine.....	.1281	.1229	379,500			\$48,613.95	\$46,640.55
Coffee.....	.1384	.1353	389,100			15,851.44	15,264.52
Sugar, granulated.....	.0463	.0599	795,070	36,811.74	47,624.69		
Beans, Lima.....	.0669	.0764	41,250	2,751.63	3,151.50		
Beans, navy.....	.0414	.0491	150,370	6,225.32	7,383.16		
Onions.....	.0226	.0208	323,934	7,320.91	8,681.43		
Potatoes.....	.0131	.0179	3,400,700	44,552.17	60,872.53		
Bacon.....	.1697	.1753	214,500	36,400.65	37,601.85		
Beef, dressed.....	.1158	.1209	1,516,810	175,646.59	183,382.33		
Beef, corned.....	.1112	.1107	242,700			26,988.24	26,868.89
Eggs.....	.2529	.23	282,970			71,563.11	65,083.10
Ham.....	.1839	.17	194,850	31,935.92	33,124.50		
Mackerel.....	.0772	.0767	67,800			5,234.16	5,203.26
Mutton.....	.1028	.1108	544,850	56,010.58	60,389.39		
Pork, fresh.....	.1463	.1613	154,650	22,625.29	24,945.05		
Pork, salt.....	.1278	.1383	158,050	20,198.79	21,858.32		
Shoulders.....	.1184	.1273	290,000	34,436.00	36,917.00		
				519,872.46	573,777.46	165,250.90	159,058.32

	Increase.	Decrease.
At 1915 cost.....	\$573,777.46	\$159,058.32
At 1914 cost.....	519,872.46	165,250.90
Decrease.....	53,905.00	6,192.58
Net increase.....	¹ 47,712.42	

¹ Sack.² Sacks.³ 94 per cent increased cost, 1915 over 1914.

PACIFIC BRANCH, SANTA MONICA, CAL.

SUBSISTENCE.

The CHAIRMAN. The next item is "Pacific Branch, Santa Monica, California: For subsistence," and the appropriation was \$200,000, and you are asking for a deficiency of \$3,500. Was there any increase in the membership?

Maj. HARRIS. Yes, sir; there was quite a considerable increase in the membership. There was an increase in the average number cared for during the first six months of this fiscal year, July to December 31, as compared with the six months of the previous fiscal year of 120. That is the principal condition there.

MARION BRANCH, MARION, IND.

SUBSISTENCE.

The CHAIRMAN. The next item is "Marion Branch, Marion, Indiana: For subsistence," and the appropriation was \$114,000, and you are asking for a deficiency of \$3,500. What was the increase in membership there?

Maj. HARRIS. The increase was only 16 in the average number cared for during that period, but they paid high prices there necessarily. The deficiency there must be largely accounted for by high prices.

HOUSEHOLD.

The CHAIRMAN. The next item is "For household," and the appropriation was \$45,000, and you are asking for a deficiency of \$2,000. To what is that due?

Maj. HARRIS. They will have to buy more coal than included in the contract to keep the members comfortable. Conditions there are perhaps not what they should be. They have a heating plant that is not very efficient, and they have to burn probably a little more coal than they would if they had a better plant, but we are trying to get along with it.

The CHAIRMAN. Do they use any gas?

Maj. HARRIS. The natural gas has given out.

The CHAIRMAN. Is there any necessity to carry this provision in the annual bill?

Maj. HARRIS. No, sir; it should be stricken out.

The CHAIRMAN. Did you use gas there at one time?

Maj. HARRIS. Yes, sir. When the branch was established it was provided that gas wells sufficient to supply it should be donated by the county.

The CHAIRMAN. The gas has given out and you are now using coal?

Maj. HARRIS. Chiefly coal.

The CHAIRMAN. In 1914 you spent for coal, coke, wood, gas, etc., \$29,573. You think that you will require more this year because you will have to buy more coal?

Maj. HARRIS. Yes, sir.

The CHAIRMAN. How many tons of coal did you contract for?

Maj. HARRIS. We contracted for 9,000 tons of coal this year at \$2.50 a ton, but they will have to buy more coal.

REBUILDING QUARTERMASTER STOREHOUSE.

The CHAIRMAN. The next item is "To reimburse the post fund of the National Home for Disabled Volunteer Soldiers for money expended in rebuilding the quartermaster storehouse at the Marion Branch destroyed by fire June 20, 1914, \$7,273.89."

Maj. HARRIS. That is the actual amount that was expended in rebuilding that portion of the storehouse which was burned to enable us to store subsistence supplies and to keep them for the subsistence of the members. One end of the storehouse in which the refrigerating plant was located was very largely saved, and by roofing in that portion and rebuilding the walls we were able to get our supplies into cold storage before there was any more loss. Otherwise we would not have been able to keep them any length of time.

The CHAIRMAN. Was this the building in which the supplies were stored?

Maj. HARRIS. Yes, sir.

The CHAIRMAN. Was there any loss?

Maj. HARRIS. Yes, sir. All the stores in the building; a few subsistence supplies were saved.

The CHAIRMAN. Did you carry any insurance?

Maj. HARRIS. No, sir.

The CHAIRMAN. This is the sum of money actually expended?

Maj. HARRIS. Yes, sir.

DANVILLE BRANCH, DANVILLE, ILL.

SUBSISTENCE.

The CHAIRMAN. The next item is "Danville Branch, Danville, Illinois: For subsistence," and the appropriation is \$167,000, and you are asking for a deficiency of \$9,000?

Maj. HARRIS. That is due to an unexpected increase in the number of members to be cared for, which was 228 more than for the same period of the previous year; that is, during the first six months of this year.

The CHAIRMAN. Two hundred and twenty-eight more than in the same period last year?

Maj. HARRIS. Yes, sir.

MOUNTAIN BRANCH, JOHNSON CITY, TENN.

SUBSISTENCE.

The CHAIRMAN. The next item is, "Mountain Branch, Johnson City, Tennessee: For subsistence," and the appropriation is \$112,000, and you are asking for a deficiency of \$4,500?

Maj. HARRIS. That is largely due to the same cause; they had 43 more members to care for.

The CHAIRMAN. Forty-three additional members?

Maj. HARRIS. Forty-three increase over the same period of the prior year.

The CHAIRMAN. Were the estimates for the current year based upon the theory that there would be a falling off rather than an increase?

Maj. HARRIS. Yes, sir.

The CHAIRMAN. You had no falling off, but had an increase?

Maj. HARRIS. Yes, sir; instead of having a falling off we had an actual increase.

BATTLE MOUNTAIN SANITARIUM, HOT SPRINGS, N. DAK.

SUBSISTENCE.

The CHAIRMAN. The next item is, "Battle Mountain Sanitarium, Hot Springs, S. Dak.: For subsistence," and the appropriation is \$38,000 and you are asking for a deficiency of \$3,800?

Maj. HARRIS. For the Battle Mountain Sanitarium we estimated that we would have to care for 360 members during the year, but for the first six months of the year we have had to care for 409, which is an increase of 49. That, together with the increase in prices, makes the amount asked for necessary.

The same remark applies to the Northwestern Branch, where the estimate was based on 1,550 members, and we have actually cared for 1,676.

THURSDAY, FEBRUARY 18, 1915.

STATE, WAR, AND NAVY BUILDING.

STATEMENT OF MR. W. E. CHAPMAN, ASSISTANT SUPERINTENDENT STATE, WAR, AND NAVY BUILDING.

NAVY ANNEX—FUEL, LIGHTS, ETC.

The CHAIRMAN. "Navy Department Annex: For fuel, lights, repairs, and miscellaneous items, \$5,000."

The appropriation was \$4,000. This is a pretty big deficit.

Mr. CHAPMAN. It is, sir; but we have exercised extreme care in the use of the \$4,000 that you gave us for this year, even to the exclusion of many very necessary items that should have been purchased to provide the building with what was necessary.

The CHAIRMAN. What was the state of the appropriation on the 1st of February?

Mr. CHAPMAN. It stands now about \$3,962.89 spent; but it should be taken into consideration, Mr. Chairman, that we had 97 tons of coal which we carted over from the Mills Building for use there, and that accounts for the absence of any purchases of coal in September and October for the beginning of the winter season. The 97 tons of coal at \$6.07 per ton would have amounted to \$588.79.

The CHAIRMAN. What is the date of that statement?

Mr. CHAPMAN. That is a statement prepared on the 17th of February; but we have a number of orders from the department in that building for various repairs and changes which we have not been able to make.

The CHAIRMAN. Do you need any repairs already?

Mr. CHAPMAN. Hardly repairs, but partition doors, changing of radiators from one location to another to suit the proper arrangement of desks, etc.

The CHAIRMAN. Most of those rooms over there are very small rooms, are they not?

Mr. CHAPMAN. I should not say most of them are. I believe most of them are rather large rooms. There are some small rooms, but most of them are good-sized office rooms.

The CHAIRMAN. How do you arrive at the figure of \$5,000 for the remaining four months when your expenditures for eight months have been about \$4,500?

Mr. CHAPMAN. We believe that it will cost us about \$3,200 for coal and the purchase of electric current for the balance of the fiscal year.

Mr. Sisson. You will not use very much more coal during March and April?

Mr. CHAPMAN. We will have to give an order very soon. The last order we made is about exhausted.

Mr. Sisson. And the winter is about over.

Mr. CHAPMAN. We will have to heat during the entire month of March and, of course, during most of April, and to meet this and other demands we will certainly need this amount.

The CHAIRMAN. How much coal do you use a month?

Mr. CHAPMAN. I do not have it in tons, but I could get the information for you. I have a figure here showing that it has been costing

on an average of \$376.80 per month for coal, computed for the period of January 2 to January 26. That would run \$12.56 a day. That was not extreme weather at all, but was very mild weather.

Mr. Sisson. How many rooms do you heat?

Mr. Chapman. I do not know how many rooms there are in the building. There are 10 floors and some 8 or 10 rooms to a floor.

Mr. Sisson. Seventy or eighty rooms?

Mr. Chapman. I should say so; perhaps more.

THURSDAY, FEBRUARY 18, 1915.

NAVY DEPARTMENT.

RELIEF OF SAMUEL BUTTER & CO.

[See p. 98.]

STATEMENT OF MR. PICKENS NEAGLE, LAW CLERK, NAVY DEPARTMENT.

The CHAIRMAN. The item in which you are interested is, "To enable the Secretary of the Treasury to carry out the provisions of 'An act for the relief of Samuel Butter & Company,' approved March 3, 1913, \$11,709.69."

Mr. NEAGLE. Yes, sir. Mr. Egerton, the solicitor is just recovering from a cold, and he asks you to excuse him and to hear me in his stead.

An act was passed on the 3d of May, 1912, to reimburse Butter & Co. in the sum of \$11,000, but did not make the actual appropriation, and this is to supplement that. The reason we have asked for it is that when the dock was advertised for sale the authorities at the yard had information concerning the metals; that is, the iron and copper in the dock which the bidders were supposed to have when they bid on the dock, but which they did not give out. They gave a reference to some book, Stewart's History of Naval Dry Docks, that contained inaccurate information concerning those materials, and which gave information as to what was incorporated in it at the time of its construction, and I believe that once or twice after that when repairs were made, but at other times material was charged to the dock that was not actually incorporated in it, principally iron, and at another time copper in the form of sheathing, which was on the dock, was removed and that was not taken account of in the information given to the prospective bidders, so that the department's information was misleading, inducing prospective bidders to believe that there was more metal, iron and copper, than there was in the dock.

The difference was found by a board appointed by the department to be a little over \$19,000, to which they proposed to add interest. The department, believing that it had not given the bidder quite a fair show, asked that he be reimbursed in the sum recommended by the board. The matter was discussed in the House in February, 1912, and the amount was reduced by \$8,000 on objection—I do not remember just the cause of it. The bill was allowed to go through

on the strength of the testimony that it appeared that the department had acted in good faith. The department had in its possession information that would have properly directed the bidders had it been given out, but because it was in different places, occurring at different times in the record of the dock, it was not collated at the time the dock was advertised for sale.

We believe the case to be a meritorious one, and think in good faith on the department's part the money should be paid.

FRIDAY, FEBRUARY 19, 1915.

CLAIM OF SAMUEL BUTTER & CO.

(See p. 97.)

**STATEMENT OF MR. HAROLD J. PACK, ATTORNEY AT LAW,
RIGGS BUILDING, WASHINGTON, D. C.**

Mr. Sisson. The item you are interested in appears on page 44 of the bill, as follows:

To enable the Secretary of the Treasury to carry out the provisions of "An act for the relief of Samuel Butter and Company," approved March 3, 1913, \$11,709.69.

We will now hear your statement.

Mr. PACK. Mr. Chairman, and gentlemen, my firm, Pack, Hinton & Pack, were retained as attorneys for Samuel Butter & Co. in the matter of this claim against the Government, and as I have handled it personally I believe I know all of the details with regard to it. I want to say at the outset that this is not a case where the legal principle of caveat emptor applies, as would have been the case if neither party to the transaction knew what the dock contained and was dealing with it as a matter of chance. This is not such a case as that. In this matter the Government, after it had advertised this dry dock, referred bidders to figures, or to a book containing figures which had been printed many years before by Admiral Stewart, who was at one time an Engineer in Chief of the United States Navy. Admiral Stewart took the specifications of this dock and computed the amount of metal in the dock according to the specifications. Now, here again I want to say that, if he had made a mistake, perhaps it would have been a case where the doctrine of caveat emptor would have applied. He might have made a mistake one way which would have favored the purchaser, as well as a mistake the other way which would have been against the purchaser. I do not know offhand what the law is in a case of that kind. But, again, this is not the case. As I have said, Admiral Stewart's figures were absolutely right, and the board of investigation that was appointed afterwards found that he was right in every respect. But after the time when Admiral Stewart published his figures the Navy Department itself in making certain repairs to the dock tore off this copper and used it, and now since they had used this copper and iron they were not justified in holding forth to intending purchasers those old figures made by Admiral Stewart prior to the removal of the copper and iron.

Mr. Sisson. Have any hearings been had upon this matter?

Mr. PACK. The board of investigation made a report covering all these facts, but I do not know whether there were any hearings had or not.

Mr. Sisson. You do not know whether there were any hearings had?

Mr. PACK. I do not know, Mr. Sisson, whether they had any or not. This is the first real opportunity I have had to present the case.

Now, I am going to take up the three items that were allowed. There were four items involved in this matter and three items were allowed by the act of Congress. We will take first the item of copper sheathing. The specifications of that dock showed that the copper sheathing went clear around the dock, up to within $4\frac{1}{2}$ feet from the top, which copper was of a certain gauge, and Admiral Stewart, taking the specifications, figured out how much copper there was. But after he had figured it out the Navy Department made a change in the dock and tore off a strip of copper about 5 or 6 feet wide and used it for its own purposes. Yet, notwithstanding the fact that so much copper had been removed from the dock, Admiral Stewart's figures were held out to bidders and were relied on by Samuel Butter & Co.

Mr. GILLET. Was it obvious that the copper had been removed?

Mr. PACK. No, sir; because the dock was immersed in water, and the record shows it. Clearly the doctrine of caveat emptor does not apply in such a case as that. Butter & Co. had no means of knowing that this copper had been removed, and the Navy Department did know it, or, rather, the records showing the fact were on file in the yard, anyway, they should have known it.

Then, take the item of nails, which is another one of the items allowed. The specifications stated that these nails were of copper, and it was impossible for Butter & Co., or any other purchaser, by looking at the dock to tell whether the nails were of copper or brass. The board of investigation considered this, and allowed the difference between the value of that quantity of copper nails and the value of that quantity of brass nails.

The third item allowed by the board was that of iron. Now, this dock had been changed in a period of 50 or 60 years a dozen times, perhaps; the Government was constantly taking out quantities of iron and using the metal in repairing the dock. Finally, they took out, I think, about 400 tons, or between 350 and 400 tons, for the purpose of repairing the dock, and charged it to the dock, but when they got to work on it they decided that there was no use to repair it, that it would simply be a waste of time and material; and so they put the iron back in the storehouse. Now, as I have said, they had the iron charged to the dock, but they neglected to credit the dock when they took back the iron. Yet the bidders were told that this quantity of iron was in the dock, and the bidders had no opportunity of knowing the real facts.

Now, gentlemen, I am sure that you realize that if this transaction had occurred between private individuals a man guilty of such misrepresentation would be liable to the charge of having practiced unqualified deceit. Of course, these naval officers did not mean to do that; they were simply negligent and failed to find out the true facts. There are two boards which have to do with the sale of material in the Navy. The first is the board of survey, which

recommends that the thing be sold and gives the reasons for so recommending. Then comes the board of sale, which conducts the sale. The board of survey in this case reported that this dock contained only 100 tons of copper, and their report is in this document [indicating]. Yet, notwithstanding that report, the board of sale either did not look at that report or if they did they ignored that part of it which stated there were only 100 tons of copper in the dock, and held forth to the bidders Admiral Stewart's figures showing that there were 146 tons of copper in the dock. I think that was clearly a misrepresentation.

Mr. GILLET. Is there any dispute about these facts?

Mr. PACK. Absolutely none.

Mr. GILLET. Are they admitted?

Mr. PACK. The Government admits them. The Government appointed a board of naval officers to investigate all the circumstances. When the claim was first submitted to the department the department rejected the claim, saying that it was a case of caveat emptor; that is, that "We did not know any more about it than you did." But we developed some of these facts, and we went to the Secretary of the Navy, who was Mr. Metcalf, I think, at that time, and when he had these facts laid before him he ordered an investigation by a board of naval officers. We went up there and laid our facts before the board as far as we could, and this board then went into the record, with which, of course, we had absolutely nothing to do. They dug up these facts from the records there at the Portsmouth Navy Yard.

There was a fourth item allowed by the board of investigation, the fourth item being that of copper fastenings. This dock, according to the specifications, contained a $4\frac{1}{4}$ -inch copper bolt in each scarf, but when Butter & Co. took this dock apart they found that the bolts instead of being $4\frac{1}{4}$ -inch bolts were $\frac{7}{8}$ -inch bolts, there being four $\frac{7}{8}$ -inch bolts to the scarf, which made a vast difference in the amount of copper. Everybody connected with the matter made that mistake. Admiral Stewart made the mistake, and the Secretary of the Navy in forwarding a report in regard to this dock to the President of the Senate 30 or 40 years ago made the same mistake. Now, Mr. Mann, who was the minority leader when this act came on the floor, and who could have had the consideration of this claim denied by a point of order, was asked to go into the merits of the claim before it was presented and to not make any objection to it if he was satisfied that it was meritorious. So he looked over the whole claim, and he said that everything was all right except the item of copper fastenings.

He said that he would not permit that because, as he thought, anybody who has any common sense at all ought to know that there is no such thing as a $4\frac{1}{4}$ -inch copper bolt. You can see what that would be—the diameter of it would be about that much [indicating]. There is a great deal in what Mr. Mann said about it, and that item was stricken out. He made that statement on the floor of the House, and the claim was fully debated. You will find that the Congressional Record contains nearly two pages of debate on the subject.

Now, I have given you the whole history of this claim, and I sincerely believe that there never was a claim that went through the Congress of the United States under conditions where the department

concerned and the Congress itself gave more consideration than was given to this case. It was put through under conditions where every light was thrown on it. It became a law, and it would have been paid long ago but for the inadvertent omission of the words providing for its payment "out of any moneys in the Treasury not otherwise appropriated." Those are technical words which, according to the interpretation of the law by the Comptroller of the Treasury, must be included in such acts, and their omission compels the Secretary of the Treasury to come back to the Appropriations Committee for the money to carry out the intention of Congress when the act was passed.

STATEMENT OF HON. JAMES A. GALLIVAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS.

Mr. GALLIVAN. Gentlemen, I merely want to say that this matter is a legacy which came to me from my predecessor. I know Mr. Samuel Butter, who not only is a resident of my congressional district, but his business place is in my district, and I can say that his fortunes have undergone a considerable change in the last few years, and he is very badly in need of this money. He is a man who was in good circumstances half a dozen years ago, but he has had reverses in his fortunes.

Mr. PACK. He lost at least \$30,000 by this transaction.

Mr. GALLIVAN. I have been told that in this particular transaction he lost as much as \$30,000. I know that he is up against it now, and if there is anything that I can do to help him I am anxious to do it. That is why I was anxious to have his attorney appear here and present his case. The case in all its details has been stated by Mr. Pack. Mr. Butter's claim is a worthy one, and I hope he will get a favorable report from this committee.

Mr. PACK. I would like to add just a few words. I want to say that Samuel Butter & Co. do not ask this as a matter of charity nor even as a matter of equity, but they do ask it as a matter of legal right. The Government got this money through a mistake, and they were the innocent sufferers from the Government's mistake.

Mr. Sisson. Of course, that would be the only ground on which this committee could consider it.

THURSDAY, FEBRUARY 18, 1915.

NAVAL ESTABLISHMENT.

GENERAL ACCOUNT OF ADVANCES.

STATEMENTS OF REAR ADMIRAL SAMUEL M'GOWAN, CHIEF BUREAU OF SUPPLIES AND ACCOUNTS, AND MR. CLYDE REED, CIVILIAN ASSISTANT.

The CHAIRMAN. "To reimburse 'general account of advances.'"

Mr. REED. Those are small amounts found to be due by the auditor in final settlement of the disbursing account. The appropriations were deficient by that amount, and we require that to enable us to pay back our debt to the Treasury.

The CHAIRMAN. Why should we not repeal that law creating the repayment of such advances?

Admiral McGOWAN. It could be done, sir, if you wish to. General account advances, as you of course know, is simply the working name of the fund under which we draw the money out of the Treasury; and no final expenditures are made under it.

The CHAIRMAN. I understand; but it was established way back in 1878, and it was due very largely to the difficulty you then had in communication.

Admiral McGOWAN. Yes, sir.

The CHAIRMAN. You have not that same situation now?

Mr. REED. We would have worse trouble.

The CHAIRMAN. Why?

Mr. REED. We have more ships in commission that are disbursing money from time to time, and if we did not have this general account of advances we would have to advance money to each one of the 250 disbursing officers under specific appropriations. They could not anticipate how much they would need under this appropriation or that appropriation, and they would be out of money under one appropriation and have money under another one, and it would leave us with no money in the Treasury at times to pay bills coming due.

Admiral McGOWAN. And it would have the effect of tying up pay rolls everywhere. I have had that experience myself as applied to navy yards where there was money under construction and repairs but no money under yards and docks. I have had a surplus under one appropriation and no money at all under the other, and the pay rolls by law could not be paid.

The CHAIRMAN. Unless you had this arrangement?

Mr. REED. Before we had general account of advances we used "Pay of the Navy," which was a continuing appropriation, for the same purpose; that is, all money to pay officers of vessels was advanced under "Pay of the Navy," and they would pay all bills from that. Then the auditor in settling accounts would make adjustments reimbursing "Pay of the Navy" and charging specific appropriations just as he does now; but in using "Pay of the Navy" it happened every once in awhile that every cent would be drawn out of the Treasury and they would not be able to pay the officers and men in the United States until a ship would come home from a foreign station and turn in some money or a new appropriation would become available, and with our diversified points of disbursement it would be almost impossible for us to get along without having this "general account of advances."

The CHAIRMAN. You are not differently situated from the Army?

Mr. REED. The Army have their troubles in just that same way, except the Army does not have as many appropriations as we have for general disbursement. All their disbursement at various points are made from one general appropriation and the specific appropriations are generally for small items at one or two points.

Mr. Sisson. The general account of advances make s the Navy pay roll virtually a lump-sum appropriation?

Mr. REED. No, sir; because we are still tied down. It does not encourage us to incur deficiencies any more than if we did not have the general account of advances. We try to avoid deficiencies.

Mr. Sisson. We would like to have something to discourage the incurring of deficiencies.

Mr. REED. Before the antideficiency act of 1906 was passed we used to come along with requests under all kinds of appropriations running up into hundreds and hundreds of thousands of dollars. You will probably recall that, Mr. Fitzgerald. But since that time you will find that our deficiencies, except in a very few appropriations which we can not control and in which we are authorized to incur deficiencies, are very slight, and we would not be able to control that even if we did not have the general account. Take, for instance, under "Maintenance, yards and docks," and "Repairs and preservation," those two deficiencies were caused by unusually large expenditures at a couple of foreign stations which were not reported to Washington in time for us to curtail other expenditures.

Admiral McGOWAN. It would not have made any difference in these cases if we had not had the general account of advances to pass them through, for the reason that we have no knowledge and little control of those small accounts abroad and so far away.

Mr. REED. We allot the funds to them, but if any emergency arises the commandant has authority to go ahead and incur the necessary expense, and we do not get the reports in until two months after the close of the year. Under "Transportation, Bureau of Navigation," that is an appropriation in which we are authorized by law to incur a deficiency. That is due to the sending of the men where they are needed. Under the Marine Corps, that does not pertain to us particularly, but I have a memorandum here that Col. McCawley furnished. It says the deficiency under "Provisions" was due to the unusual number of men sent to the Tropics in the spring of 1913, and under "Forage, Marine Corps," it was due to an increase in the price of forage for officers who were entitled to the allowance for it and for the animals maintained for the Quartermaster Corps. Under "Military Stores" they had to fit out an expeditionary force toward the end of the year. They asked for \$25,000 at that time to pay for that, which was not granted by the committee, and by turning back certain of the stores to the War Department they were able to keep the deficiency down to the amount that appears there, \$3,051.

PROVISIONS, NAVY.

The CHAIRMAN. The next item is "Bureau of Supplies and Accounts: Provisions, Navy." Your appropriation was \$7,713,954.50, and your estimate is \$133,539.79?

Admiral McGOWAN. That is on account of the activity in Mexico and the fact that we have more men in the Navy by about 4,600 than we had the year before. We were recruited up to strength toward the end of the year.

The CHAIRMAN. This is due to the increased number of men?

Admiral McGOWAN. Partly due to the increased number of men and partly to the supply of provisions that it was deemed necessary toward the end of the fiscal year to lay in and send down to Mexico for the ships there and also for the use of the Army. I am speaking of 1914.

The CHAIRMAN. This is for 1915?

Mr. REED. That is a misprint; it should be for 1914.

The CHAIRMAN. That is an ascertained deficiency?

Mr. REED. Yes, sir.

Admiral McGOWAN. We had more provisions toward the end of the year on hand. That is, we were in fine shape. We had on hand a larger balance of stock than we would have had if the conditions I mentioned had not obtained—the cost of subsistence is a little less now than it was before—but on account of laying in this particularly large stock the money expended was greater.

The CHAIRMAN. This estimated was submitted for 1914?

Mr. REED. The appropriation is for 1914–15, a two-year appropriation.

Admiral McGOWAN. What I have said applies to the year ending June 30, 1914.

COAL AND TRANSPORTATION.

The CHAIRMAN. The next item is "Coal and transportation." The appropriation was \$4,800,000 and your estimate is \$617,767.86. This is for 1915?

Mr. REED. That should be for 1914.

The CHAIRMAN. Please explain the necessity for this estimate.

Admiral McGOWAN. The increase is primarily due to the increased number of vessels in commission down in Mexico, and that involved greater expenditure for coal and fuel oil. The coal and the transportation of the coal also costs slightly more.

The CHAIRMAN. Can you state the number of vessels in commission in excess of what was anticipated?

Admiral McGOWAN. No, sir.

Mr. REED. We did not compile that data. A number of the reserve fleet were placed in full commission when the Mexican troubles broke out, but I did not check up the exact number. I can furnish that information to you.

The CHAIRMAN. I wish you would place it in the record.

Mr. REED. Yes, sir.

(The statement referred to is as follows:)

The number of ships of the United States Navy of all classes in full commission on July 1, 1912, was 193; on July 1, 1913, the number was 198; and on July 1, 1914, it was 227; a net increase at the close of the fiscal year 1914 over the previous year of 29 ships.

The CHAIRMAN. That is an ascertained deficiency also?

Mr. REED. Yes, sir.

FREIGHT.

The CHAIRMAN. The next item is "Freight," for 1915, \$175,000. Is that the right year?

Mr. REED. Yes, sir.

The CHAIRMAN. The appropriation was \$525,000?

Admiral McGOWAN. Yes, sir.

The CHAIRMAN. Why is that?

Admiral McGOWAN. The amount appropriated was \$525,000. The same amount was estimated for 1913, but was reduced to \$450,000 against the recommendation of my predecessor.

The CHAIRMAN. They gave you all you asked for this year, 1915—\$525,000?

Admiral McGOWAN. Yes, sir. The expenditures and obligations to December 31, 1914, amounted to \$356,919.78. At that rate it would take \$343,000 for the rest of the present fiscal year. The Government, by the freight expenditures, is gaining, though the appropriation is running behind. We are making a great many more f. o. b. purchases. It is governmental economy, for the reason that a contractor can not get the land-grant rates and special rates over the Government-aided roads, whereas the Government can get those rates. It is saving Government money, but taxing this "Freight, supplies, and accounts" appropriation.

The CHAIRMAN. This is the new plan which was established of purchasing goods and the Government doing its own shipping?

Admiral McGOWAN. Yes, sir.

The CHAIRMAN. In awarding bids you estimate the freight charges so as to determine which is the better bid?

Admiral McGOWAN. Yes, sir; a very careful comparison is made. The data are compiled right from the reports of the inspectors, who have all the information at hand, and it indicates that the actual saving to the Government by making the shipments in this manner is \$52,000, but this does not cover shipments of armor, projectiles, etc., which have been bought f. o. b for a number of years. This applies only to the supplies.

The CHAIRMAN. Why do you not buy your armor and projectiles in the same way?

Admiral McGOWAN. We have been doing that for a long time, but I have not credited ourselves with any of that, because it is not new.

The CHAIRMAN. The net saving has been \$52,000?

Mr. REED. Yes, sir. In 1914, by expending \$122,000 additional under freight on the new f. o. b. proposition we actually saved to the Government \$52,000 in money, the difference between the price we could buy them f. o. b. works and pay the freight ourselves and the price we could buy them delivered at the navy yards, almost 50 per cent. That represents a saving also to other appropriations. We are establishing a record so that it can be taken into consideration in asking for appropriations in future years.

MARINE CORPS—MILITARY STORES AND CONTINGENT.

STATEMENT OF MR. WILLIAM W. TRAIL, CHIEF CLERK QUARTERMASTER'S DEPARTMENT.

The CHAIRMAN. We have before us the item, "Military stores: For military stores, including the same objects specified under this head in the naval appropriation act for the fiscal year 1915, \$190.90."

Mr. TRAIL. Mr. Chairman, Col. McCawley, the quartermaster, asked me to state that he was ill and could not be present this afternoon, which he regretted very much. He prepared a brief statement concerning the three items in the bill for the Marine Corps which he wished I should read to the committee.

The CHAIRMAN. Certainly.

Mr. TRAIL (reading):

The several amounts enumerated in the estimates represent delayed accounts which were received in the quartermaster's office after the unexpended balances for the fiscal year mentioned had been turned into the surplus fund, in accordance with law. If the vouchers payable out of "Contingent," 1911 and 1912, had been received before the unexpended balance had reverted to the surplus, there would have been sufficient funds available to pay these accounts. Vouchers representing the amounts under these appropriations were not received by the quartermaster until January 23, 1915. The amount under "Military stores, 1912," is required for the purpose of adjusting in the office of the Auditor for the Navy Department an account for miscellaneous supplies transferred by the Navy to the quartermaster's department, and was placed in the estimates at the request of the Paymaster General, United States Navy, dated September 22, 1914.

The CHAIRMAN. Is this a belated account, received too late to be paid?

Mr. TRAIL. Yes, sir. That amount is the balance of an account for payment by adjustment of funds in the auditor's office for some cots transferred to the Navy. There was not quite enough money left under the appropriation to settle the account and the auditor certified \$190.90.

The CHAIRMAN. The Navy Department furnished the Marine Corps with certain cots and you are short \$190.90?

Mr. TRAIL. Yes, sir; to reimburse the Navy. The comptroller has decided that that has to be done in order to adjust the books in the Treasury.

The CHAIRMAN. The others were accounts not received within the time?

Mr. TRAIL. Yes, sir; just received last month.

The following-mentioned vouchers cover the amounts represented in the general deficiency bill, viz:

Paul J. Devitt, \$17.05, for miscellaneous supplies delivered at the Marine Barracks, navy yard, Philadelphia, Pa., in 1911, such supplies being necessary to make emergency repairs and to meet urgent requirements, according to the certificate on the face of the voucher, of the post quartermaster at that post. The voucher in correct form was not received in this office until January 23, 1915.

Paul J. Devitt, \$18.15, for miscellaneous supplies delivered at the marine barracks, navy yard, Philadelphia, Pa., in 1911, such supplies being necessary to make emergency repairs and to meet urgent requirements, according to the certificate on the face of the voucher of the post quartermaster at that post. The voucher in correct form was not received in this office until January 23, 1915.

The amount required under "Military stores, 1912," namely, \$190.90, is for the purpose of reimbursing the "General account of advances, naval supply account," for cots, in accordance with the Bureau of Supplies and Accounts letter dated September 22, 1914.

FRIDAY, FEBRUARY 19, 1915.

INTERIOR DEPARTMENT.

STATEMENTS OF MR. GEORGE W. EVANS, CHIEF DISBURSING CLERK; MR. LAURENCE F. SCHMECKEBIER, CHIEF OF DIVISION OF PUBLICATIONS; MR. FREDERIC NEWBURGH, CHIEF OF DIVISION OF ACCOUNTS; MR. THOMAS EWING, COMMISSIONER OF PATENTS; MR. W. B. ACKER, ASSISTANT ATTORNEY; AND MR. GEORGE OTIS SMITH, DIRECTOR GEOLOGICAL SURVEY.

CREDIT IN ACCOUNTS OF GEORGE W. EVANS FOR PAYMENT TO C. CLARK JONES.

The CHAIRMAN. "Credit in the accounts of George W. Evans: The accounting officers of the Treasury are authorized and directed to credit the accounts of George W. Evans, chief disbursing clerk, with the payment of \$150 made to C. Clark Jones in the quarter ended September 30, 1913, for preparing plans and specifications for alterations and additions to boiler and pump rooms in the basement of the 'Old Post Office Department Building,' in connection with the reconstruction of the heating, lighting, and power plant, Department of the Interior, 1914, paid by voucher 363, July 7, 1913, by the chief disbursing clerk and disallowed by the Comptroller of the Treasury for the reason that it was not a proper charge to the appropriation for 1914."

What is this, please?

Mr. EVANS. Mr. Chairman, this involves no appropriation at all, but simply requests authority to credit my account with the payments made. As stated here, Mr. Jones, a Washington architect, was engaged to prepare the plans and specifications March 20, 1913, in the belief that the sundry civil appropriation bill containing this item, and made immediately available, which had been vetoed by the President, March 4, 1913, would be enacted within the fiscal year ending June 30, 1913. The plans prepared by Mr. Jones were submitted to and approved by the Assistant Secretary of the Interior April 22, 1913, before the sundry civil act for 1914 was passed, and payment made for the same July 7, 1913. Now, I paid that account as presented to me on July 7 on the certificate of the administrative officer, which was approved by the Assistant Secretary of the Interior. I paid the amount in good faith, as both the appropriation that was vetoed by the President and the subsequent appropriation contained a provision for repair of buildings of the Department of Interior and was made immediately available for that special repair, and the comptroller disallowed it on the ground that I should have paid it out of the appropriation of the previous year.

The CHAIRMAN. There was not any balance of appropriation for the previous year from which it could have been paid.

Mr. EVANS. No, sir; it was provided for in the appropriation for the ensuing year, and a clause in it said, "to be made immediately available."

The CHAIRMAN. It could not have been paid out of a previous appropriation, because it was not available for that purpose.

Mr. EVANS. The act was not passed until July——

The CHAIRMAN (interposing). You said the comptroller said you should have paid it out of another appropriation, but there was not any other appropriation out of which you could have paid it?

Mr. EVANS. Not at that time.

The CHAIRMAN. Was there one at any time?

Mr. EVANS. It could have been paid out of the appropriation if the President had not vetoed it.

The CHAIRMAN. But that was not an appropriation.

Mr. EVANS. No. It could have been paid out of the balance of any appropriation for 1912 or 1913, if there had been any money left available at that time.

The CHAIRMAN. But there was no appropriation that year out of which such a payment could have been made?

Mr. EVANS. Yes. There was an appropriation for repair of buildings, heating and lighting plants for 1913 and 1914.

The CHAIRMAN. You can not pay architects' fees out of that.

Mr. EVANS. There is an appropriation every year for that purpose, "Repairs of buildings, etc., Department of the Interior."

The CHAIRMAN. Do you pay personal services out of that appropriation?

Mr. EVANS. Not personal services. In any event, the disbursing officer should be in no way held responsible, owing to the fact that the voucher came to him properly certified by the administrative officer and approved by the Assistant Secretary of the Interior; and as I am not permitted to give any administrative examination to the accounts I have to pay them as presented.

Mr. BARTLETT. You were ordered to pay it by your superior officers and you paid it?

Mr. EVANS. Yes, sir. I could not do otherwise, as I am not allowed by law to give administrative examination to vouchers.

CREDIT IN ACCOUNTS OF GEORGE W. EVANS FOR PAYMENT TO THOMAS SOMERVILLE CO.

The CHAIRMAN:

The accounting officers of the Treasury are authorized and directed to credit the accounts of George W. Evans, chief disbursing clerk, with the payment of \$5.14, made to the Thomas Somerville Company, in the quarter ended June thirtieth, nineteen hundred and thirteen (voucher two hundred and fifty-eight, April fifth, nineteen hundred and thirteen), for one thousand and twenty pounds of fire clay, furnished for use in the repairs of buildings, Department of the Interior, nineteen hundred and thirteen, and disallowed by the comptroller for the reason that the item in question was not purchased from the right contractor.

Mr. EVANS. As stated by Secretary Lane in his letter to you, this small bill was inadvertently passed by the administrative officer of the Supply Division and charged to the proper appropriation.

The CHAIRMAN. You ought to make some changes in your department if this administrative officer keeps making these mistakes.

Mr. EVANS. This was inadvertently purchased by the administrative officer from the wrong man, from Thomas Somerville instead of the National Mortar Co., who was the contractor for that year.

The CHAIRMAN. You mean they had the contract with the General Supply Committee?

Mr. EVANS. They (the National Mortar Co.) had the contract with the General Supply Committee for that year and at the same price that this item, fire clay, was purchased from Thomas Somerville Co. There was no additional cost and the National Mortar Co. were personally satisfied with the purchase, although it was made from the other company. Thomas Somerville Co. were the contractors the year before and are the contractors now for this same item for 1915; but that particular year the National Mortar Co. was the contractor at the same price, and the purchasing officer of the Division of Supplies purchased this item from the wrong man but without any additional cost to the Government. The comptroller disallowed the payment against me because the administrative officer or the purchasing officer did not purchase the article from the right contractor.

PATENT OFFICE BUILDING—PAYMENT TO J. H. DE SIBOUR.

The CHAIRMAN:

Patent Office Building: To pay J. H. de Sibour for preliminary plans for the building proposed to be erected in the courtyard of the Patent Office Building under the provisions of the sundry civil act of June twenty-third, nineteen hundred and thirteen, \$950.

Mr. ACKER. This is a case that was presented last year, Mr. Chairman.

The CHAIRMAN. It was in last year and refused?

Mr. ACKER. The committee did not take any action on it. This is a case somewhat similar to the case of Mr. Jones, the architect, about which Mr. Evans was just talking to you.

The CHAIRMAN. This is a case where you prepared plans for a building never contemplated by Congress?

Mr. ACKER. No, Mr. Chairman, the plans that Mr. de Sibour prepared are the preliminary plans covering the building in the court along the lines indicated in Senate Document No. 543, Sixty-first Congress, second session, submitting an estimate of \$220,000 for the construction of such building. The sundry civil act which passed the House on March 4, 1913, appropriated \$220,000 for repairs and improvements to the Patent Office Building as set forth in Senate Document No. 543, the work to be done under supervision and direction of the Superintendent of the United States Capitol Building and Grounds, and to be immediately available. This bill, however, was vetoed by the President March 4, 1913. The sundry civil bill as it passed both Houses of Congress made an appropriation of \$220,000 for the building to be immediately available, and the chief clerk of the department wanted to expedite the work in every way practicable, and by an arrangement with Mr. Woods they had Mr. de Sibour prepare these preliminary plans which contemplated the construction of a building in the interior court 80 feet wide, 4 stories high, with a central hall 10 feet wide connecting with the north and south wings of the present building. Subsequently, when Mr. Lane came in he directed that there be nothing further done on that matter until he could look into it, and this claim for compensation for preparation of plans necessarily was held up, and that is the situation now.

The CHAIRMAN. My recollection is that this man was engaged to prepare plans for a structure that apparently was not within the con-

templation of the authorization, and that is why the item was not carried in the last bill.

Mr. ACKER. You are speaking now of the second estimate submitted February 4, 1914, House Document No. 705, Sixty-third Congress, second session, which did not contemplate the construction of a four-story building above the ground.

The CHAIRMAN. I am talking about the estimate for the preparation of plans?

Mr. ACKER. Yes; the second estimate, House Document No. 705, Sixty-third Congress, second session, covered the construction of a building underground, and the one prepared by Mr. de Sibour covered the construction of a building above the ground.

The CHAIRMAN. The estimate that was prepared was not prepared by Mr. de Sibour at all, but was based upon a report of Carrere and Hastings.

Mr. ACKER. Those under the second estimate were not prepared by Mr. de Sibour.

Mr. BARTLETT. You say that these plans were prepared under the direction and with the approval of Mr. Woods?

Mr. ACKER. Yes, sir. I spoke to him about it this morning, and he said he would bring the matter to the attention of the committee. House Document No. 703, Sixty-third Congress, second session, covers the second estimate for this building in the interior court and the reasons for submitting it.

The CHAIRMAN. Did you have this put in the deficiency bill last year?

Mr. ACKER. No, sir; at the time the sundry civil bill was under consideration in April, 1914, the matter was brought to the committee's attention (see p. 787, committee hearings). The estimate above mentioned went forward on the 4th of February, 1914, and I have it before me now.

TERRITORY OF ALASKA.

MILEAGE OF LEGISLATURE AND PRINTING OF RECORDS OF ASSEMBLY.

For mileage of members of the legislature incurred upon attendance of the first legislative assembly, convened March 3, 1913, \$2,267.20.

Mr. ACKER. An estimate for that amount was submitted to the Secretary of the Treasury on January 13, 1913, in House Document 88, Sixty-third Congress, first session, but no action appears to have been taken upon it by the committee.

The CHAIRMAN. There had been something appropriated?

Mr. ACKER. There was \$6,500 appropriated.

The CHAIRMAN. Was there some change in the mileage rate?

Mr. ACKER. I really could not tell you about that, Mr. Chairman, because these estimates, prior to this year, have been submitted through the Secretary of the Treasury, and the reason the Interior Department presents them now is because the law has been changed. I would like to introduce in the record a letter to Judge Wickersham, delegate from Alaska, at whose instance we submitted this estimate.

The CHAIRMAN. A letter to him?

Mr. ACKER. Yes, sir.

The CHAIRMAN. Just make a statement about it instead of submitting the letter.

Mr. ACKER. This estimate was submitted to the Treasury Department for transmission to Congress by reason of its having been called to the attention of the Interior Department by Hon. James Wickersham, Delegate from Alaska. An estimate in the sum of \$2,267.20 had been submitted to Congress in 1913, but no action had been taken thereon. The estimate in the sum of \$1,481.92 for printing incurred at the first session of the territorial legislature has never been submitted to Congress before. That also is permitted in pursuance of the suggestion of Delegate Wickersham.

The CHAIRMAN. How did you happen to submit these two items at this time?

Mr. ACKER. In the same way. Delegate Wickersham called them to the attention of the department. It is one of those things they failed to care for in the governor's office.

The CHAIRMAN. Was there an appropriation to take care of all the expenses of that meeting?

Mr. ACKER. Yes, sir.

The CHAIRMAN. And are these amounts in excess of the amount to which they were limited?

Mr. ACKER. Yes; they are in excess of the appropriation.

The CHAIRMAN. Were the expenses limited by that appropriation?

Mr. ACKER. I have not the appropriation before me, and I can not say what the language was. This was in 1913 and is in the legislative, executive, and judicial act of March 4, 1913.

The CHAIRMAN. I remember that we had a mileage item before us.

Mr. ACKER. The Interior Department did not have anything to do with the territorial estimates in 1913, and if anybody appeared here it was somebody from the Treasury.

CONTINGENT EXPENSES, SECRETARY'S OFFICE.

The CHAIRMAN. Have you any other item?

Mr. ACKER. I have an item of \$2,235 and \$932 in Senate Document No. 939, Sixty-third Congress, third session.

The CHAIRMAN. What is it they are asking this year?

Mr. ACKER. There never has been any appropriation for the expenses of the office of the secretary of the Territory of Alaska.

The CHAIRMAN. How long has it existed?

Mr. ACKER. It has existed since 1900. The surveyor general was made ex officio secretary of the Territory under the act of June 6, 1900 (31 Stat., 333).

The CHAIRMAN. He has some force of his own?

Mr. ACKER. But the force he has there is not sufficient to provide for carrying on the work of the office of secretary, and as stated in this document here they have been using money up there for running the office of secretary which they ought not to have used for any such purpose. Under the act of March 3, 1905 (33 Stat., 1265), all fees from any source whatever are paid to the secretary of the Territory to be expended in connection with the administration of the affairs of the Alaska Historical Library and Museum. It has recently been found that the secretary has been using that money for

various purposes in his own office and the department has stopped it. That is the necessity for bringing this estimate to the attention of Congress.

The CHAIRMAN. The Territory now provides certain employees for the secretary's office?

Mr. ACKER. Yes; but the secretary says they are not sufficient.

The CHAIRMAN. And he thinks the United States ought to carry some of the burden?

Mr. ACKER. Not in execution of the Territorial laws but for carrying into effect the Federal laws.

The CHAIRMAN. What else have you?

ROCKY MOUNTAIN NATIONAL PARK.

Mr. ACKER. One other item on page 55, and in House Document No. 1552, Sixty-third Congress, third session, for protection and improvement of the Rocky Mountain National Park, Colo., \$3,000. That is the estimated amount necessary to inaugurate and carry on the work in the park during the balance of the year.

The CHAIRMAN. What are you going to do with that appropriation?

Mr. ACKER. We expect to provide for a supervisor for five months at \$1,800 per annum, and two rangers for five months at \$900 each per annum; the balance, \$1,500, in improvements and miscellaneous expenses.

The CHAIRMAN. This was a part of the forest reserve?

Mr. ACKER. Yes, sir; formerly.

The CHAIRMAN. What force did they have there?

Mr. ACKER. I think they had three or four rangers.

The CHAIRMAN. How large an area is covered by this park?

Mr. ACKER. Two hundred and twenty-nine thousand and sixty-two acres, of which 2,340 acres are patented lands; 1,220 acres are covered by State land, school, and approved selections, and 185 acres are pending entries.

PRINTING AND BINDING, PATENT OFFICE.

The CHAIRMAN:

Patent Office: For printing the weekly issue of patents, designs, trade-marks, and labels, exclusive of illustrations; and for printing, engraving illustrations, and binding the Official Gazette, including weekly, monthly, bimonthly, and annual indices, \$125,000.

Your appropriation was \$440,000.

Mr. EWING. The number of patents that have been granted have been greatly in excess of what it was in the previous year and it has increased the cost. I have as an exhibit here, first, the first volume of last year of the weekly gazette, and the first volume of this year, the difference being 264 pages as against 440 pages, made up of patents granted, and all due to the fact that over 400 more patents were granted in that week than the corresponding period of last year, and so it has been running right straight along.

The CHAIRMAN. Is this a weekly issue?

Mr. EWING. Yes, sir. There were over 1,000 patents granted in one week as against 640 in the corresponding week of the year before.

Now, that is simply due to the fact that the business is going through the office more rapidly. I can not stop it. The statute requires that when they pay their fees the patents shall be granted.

The CHAIRMAN. Can you give a statement of the number of patents issued the first six months of this year as compared with last year?

Mr. EWING. Yes; there was a difference of 3,585 in the first six months of this year, as compared with a corresponding period last year. That would be at the rate of something over 7,000, but it is now running higher. We will exceed that considerably for the year.

The CHAIRMAN. How many were issued last year all told?

Mr. EWING. I have not that figure, but about 34,000 patents.

The CHAIRMAN. How much was spent last year for printing the weekly issue of patents?

Mr. SCHMECKEBIER. That includes both the weekly issue and the Gazette. The entire appropriation for last year was spent except \$3.39, which was the amount of the balance carried over.

The CHAIRMAN. What is the condition of your appropriation at present?

Mr. EWING. I can give you that. The work estimated up to March 16 would exhaust the entire appropriation except \$12,087.67. That leaves us three and one-half months of the fiscal year. Now, it has been running on an average at the rate of \$46,000 per month, and for three and one-half months that would be \$161,000. This \$125,000 we are asking for and the \$12,000 we have on hand would make \$137,000. But I think it will not run quite so high as \$46,000 per month on an average, so we cut it down to this figure.

The CHAIRMAN. How do you account for this large deficiency?

Mr. EWING. From the time I first went in there, I have been trying to force people to prosecute their cases more expeditiously. There were pending 145,000 cases at first, and I have gotten more of them out than had been gotten out in other years. That is the whole thing. It has been a long process; we have been working at it for a year and a half, and it is now beginning to tell. It did not tell last year, but it is beginning to tell this year. That is the entire matter. As a matter of fact we receive for every one of these patents issued a final fee of \$20, and the cost of printing is about \$12.50, so that if we use this \$125,000 we will receive \$200,000 in fees against it, and the surplus of the office will be increased by \$75,000. It is purely a matter of business, and it is just a matter of fulfilling our obligations. The statute requires that when applications are allowed and the final fee paid, the patents shall be issued within a definite time.

The CHAIRMAN. Within what time?

Mr. EWING. In the ordinary course the issue is within a month, but sometimes we have to delay applications, and they are not issued for two months.

The CHAIRMAN. Two months additional?

Mr. EWING. Yes, sir. We have authority to do it, but that would be an inconvenient thing for the public and the office and everything else, and it would get us into a mess at once. That is only done in special cases.

GEOLOGICAL SURVEY, QUEBEC BRIDGE COMMISSION.

The CHAIRMAN. Your item is as follows:

For transcripts of evidence before the Quebec Bridge Commission and a set of drawings furnished during the years of nineteen hundred and six and nineteen hundred and seven by George Simpson and R. C. Dunbar, of Ottawa, Canada, to Leon S. Moisseiff, of the department of bridges, New York City, who was authorized to attend this inquiry and report thereon by R. L. Humphrey, engineer, structural materials testing laboratories, United States Geological Survey, \$614.

Please explain this.

Mr. SMITH. That was an unauthorized liability which was incurred in good faith, but without official authority, and the official reporters of this investigation at Ottawa felt that the order was an order from the United States Government. They accepted it in good faith and rendered the service, and we have had the benefit of those services.

The CHAIRMAN. Who is R. L. Humphrey?

Mr. SMITH. Mr. Humphrey was an engineer engaged by the Geological Survey in the structural materials investigation—a man who was apt to do a thing first and then get the authority afterwards. He was not one of the regular engineers permanently employed, but was employed from time to time by the survey. The record which is given in the letter transmitting this estimate shows that there is no question regarding the facts, and the matter has been brought to the attention of the department this past year by the Department of State and the British Embassy.

The CHAIRMAN. Was that the first you ever heard of it?

Mr. SMITH. I knew of it back in 1908, when it was brought to my attention, but there was no appropriation from which it could be paid at that time because the appropriation for structural materials investigations had been expended. There had been no allotment made for it before the liability was incurred. The fact is that this office in Washington was not informed of the matter until after the work had been done by the official reporters of the Quebec Bridge Commission.

Mr. BARTLETT. Why was the matter delayed so long?

Mr. SMITH. The matter was taken up by correspondence in 1910, and went about so far and then was dropped. We did not have the money, and I was not fully enough impressed with the matter to bring it to the attention of the committee here.

Mr. BARTLETT. I do not understand how this matter comes under your bureau.

Mr. SMITH. At that time the Geological Survey had an appropriation for structural materials investigations, and one of the engineers was anxious to get the results of this official investigation of the Quebec Bridge disaster for use in some of the studies that were being made in this country. In those studies he was cooperating with the engineers of the New York City Department of Bridges, and between them they ordered this transcript of the report in the name of the United States Government. They did not have the authority or money to do that—

The CHAIRMAN (interposing). Did they get carbon copies of the report?

Mr. SMITH. I suppose they were duplicate copies. There were 1,452 pages of it.

The CHAIRMAN. Why do you submit an estimate like this when it appears on its face that it includes interest at 5 per cent?

Mr. SMITH. I was informed by one of the accounting officers that Congress would not allow interest, and the amount which was then mentioned as the amount of the bill was in fact a reduction from the original bill.

Mr. BARTLETT. How much was the original bill?

Mr. SMITH. The original bill was \$614. That was the original amount, and back in 1908 they reduced that to \$449. The amount mentioned in the letter from the British Embassy and the accompanying papers is the reduced amount of \$449.

The CHAIRMAN. But you submit an estimate for \$614, which is the original amount.

Mr. SMITH. That is to represent the interest on the \$449, as well as that amount.

The CHAIRMAN. But the Government does not allow any interest.

Mr. BARTLETT. The Government never pays interest until after judgment.

Mr. SMITH. On that account it was deemed better—it was not my own suggestion, but the suggestion of one of our accounting officers—that we go back to the original estimate, or the original bill.

The CHAIRMAN. Which they had reduced?

Mr. SMITH. Which they had reduced. I want to be absolutely frank with the committee, and I will state that I have found since I came into the room here that they were willing at one other time to compromise and cut that bill in two.

The CHAIRMAN. How much did they charge?

Mr. SMITH. Thirty cents a page, I believe, in the original bill. There were some blue prints in addition to that, but the general charge was 30 cents a page.

Mr. BARTLETT. This item was never submitted to the Appropriations Committee before.

Mr. SMITH. Never before. Under date of April 25, 1910, a letter, which is not in this record, because it is not a letter to the survey but a letter to Mr. Humphrey, at Pittsburgh, shows that George Simpson made a proposition to accept \$224.50 in settlement of this matter, but "the understanding being that the matter will be settled at as early a date as it conveniently may be."

Mr. BARTLETT. When was that?

Mr. SMITH. On April 25, 1910. That letter was in files outside of the survey, and I only obtained it lately, so it was not included in the official files.

Mr. Sisson. This money would go to Messrs. Simpson and Dunbar, at Ottawa, would it not?

Mr. SMITH. Yes, sir; it would go to them.

Mr. Sisson. And the contract was made by the man mentioned here, Leon S. Moisseiff?

Mr. SMITH. Yes, sir; under authority delegated to him by R. L. Humphrey, to whom no such authority had been delegated by the Director of the Geological Survey.

Mr. Sisson. Mr. Humphrey, then, was acting without any authority?

Mr. SMITH. He felt that he had authority to expend money as he thought best in connection with the investigations that he was pursuing, but he had no money allotted for this purpose and had no

authority to incur the liability. However, there are some engineers who are not bookkeepers or lawyers and do not recognize the orderly procedure in such matters.

PUBLIC LANDS SERVICE.

**STATEMENT OF MR. FREDERIC NEWBURGH, CHIEF DIVISION
OF ACCOUNTS.**

REIMBURSEMENT TO STATE OF NEW MEXICO FOR SURVEY OF LAND GRANTS.

The CHAIRMAN. Your first item is as follows:

To reimburse the State of New Mexico for moneys advanced by the governor of said State on April fourth, nineteen hundred and fourteen, to the credit of the United States, to secure the survey of lands granted to said State with a view to satisfy the public land grant made by the act admitting the said State into the Union, \$500.

What is this?

Mr. NEWBURGH. Under the act of Congress of August 18, 1894, certain States were allowed to advance moneys similar to the advances made under section 2401 of the Revised Statutes for the survey of lands granted to them by the enabling acts, and by the act of June 20, 1910, the provisions of that act were extended to the State of New Mexico. Under that act the State of New Mexico on this date, April 4, 1914, for certain fragmentary surveys made a deposit which by the terms of this original act of 1894 was reimbursable. We have from time to time made such surveys, and this is not a new departure at all. As stated here in the note, on March 4, 1911, you made a similar appropriation. Every time an expenditure of this kind is made from a State's deposit we have to come to Congress in order to reimburse them.

The CHAIRMAN. Is there any other appropriation out of which they could be reimbursed?

Mr. NEWBURGH. No, sir.

PAYMENT TO OLIVER R. W. ROBINSON.

The CHAIRMAN. The next item is—

To reimburse Oliver R. W. Robinson, late receiver of public moneys, United States land office at Los Angeles, California, for amount erroneously deposited by him in the Treasury of the United States in excess of public moneys received by and due from him to the United States on account of sales of public lands, as shown in the settlement of his final accounts by the Auditor for the Interior Department, \$22.

They have to make certain deposits, do they not?

Mr. NEWBURGH. The receivers of public money at the United States land offices, when the money is earned in connection with certain applications and entries, deposit the money in United States depositories.

Mr. BARTLETT. They have to do that at stated periods, do they not?

Mr. NEWBURGH. They have to do that every day if the depository is in the same town with the office, and this receiver simply made a mistake of \$22 in making his deposit.

The CHAIRMAN. He deposited \$22 too much?

Mr. NEWBURGH. Yes, sir.

EXAMINATION OF LANDS IN NORTHERN PACIFIC GRANT.

The CHAIRMAN. The next item is—

The unexpended balance on June thirtieth, nineteen hundred and fifteen, remaining to the credit of the appropriation of \$3,125.95 authorized in the deficiency appropriation act approved July twenty-ninth, nineteen hundred and fourteen, for the completion during the fiscal year nineteen hundred and fifteen of the examination and classification of lands within the limits of the Northern Pacific grant under the act of July second, eighteen hundred and sixty-four (Thirteenth Statutes, page three hundred and sixty-five), is continued and made available to meet the expenses pertaining to such examination and classification as may be incurred during the fiscal year nineteen hundred and sixteen.

What is the situation here?

Mr. NEWBURGH. At the present time there is an unexpended balance of \$2,998.89. The expenditures at the present time are largely for the advertising required under the act of February 26, 1895; that is, in advertising the lists of classified lands. Under that act of 1895 the lands after classification have to be advertised for 60 days in two papers, one published at the State capital and one in the county in which the lands are situated. For the last year there have been practically no expenditures except for advertising, but for the past three fiscal years you have given us that money in the deficiency appropriation bill, because it may be necessary to have the Geological Survey to make reclassifications of some of the lands that are to be selected.

PAYMENT TO R. C. PERKINS AND R. C. DURNFORD, DEPUTY SURVEYORS.

The CHAIRMAN. The next item is—

For payment to certain United States deputy surveyors for surveys of public lands, executed by them and necessary to complete the lines of surveys embraced in their contracts and special instructions issued thereunder, being the balance of the amounts found due them by the Commissioner of the General Land Office in the settlement of their accounts in accordance with the rates as authorized in the acts making appropriation for the survey and resurvey of public lands for the fiscal year in which the work was executed, namely:

William C. Perkins, \$182.64.

Royston C. Durnford, \$213.63.

What is this?

Mr. NEWBURGH. Under the old contract system which was abolished by the appropriation act approved June 25, 1910, these surveyors entered into contracts which stated so much liability above which we could not pay them, but in cases where they have gone ahead and completed the work on surveys, it has always been the practice and has been found to be just and advantageous to allow them to complete such surveys, and where the payment would go over the liability stated in the contract, Congress has from time to time recognized the equitableness of making the allowance.

The CHAIRMAN. Where were these surveys made?

Mr. NEWBURGH. These surveys here were made, I think, in Montana.

The CHAIRMAN. In what years?

Mr. NEWBURGH. In the fiscal year 1910, I think, as to the Perkins item, and Durnford in the fiscal year 1909.

The CHAIRMAN. This is in settlement of their accounts?

Mr. NEWBURGH. In the settlement of their accounts it was found that they had made bona fide surveys above the amount of liability stated in their contracts.

Mr. SISSON. Why was the amount not submitted before?

Mr. NEWBURGH. For this reason, a great many surveyors general offices are far in arrears with their work, and they have been delayed in sending up the reports of surveys. Then, our office has also been behind. We have to go into the question of the field notes to see whether the surveys are accurate—and sometimes they are sent back for correction. Then, when they are sent back to the office of the surveyor general, they are not always taken up right away. Then, there is a good deal of correspondence with the surveyors general offices, backward and forward, before these surveys are finally approved. This is because of delay in the ordinary course of the work, on account of the arrears in the work.

There may be a few more. I think there are about four contracts now outstanding that have not been settled, but whether we will allow the excess liabilities remains to be seen, when we take them up for examination. I do not know at the present time.

FRIDAY, FEBRUARY 19, 1915.

DEPARTMENT OF JUSTICE.

STATEMENTS OF MR. J. D. HARRIS, ADMINISTRATIVE ACCOUNTANT; MR. E. M. KENNARD, CHIEF BOOKKEEPER; AND MR. C. H. M'GLASSON, DEPARTMENT OF JUSTICE.

LAW BOOKS, SOLICITOR FOR TREASURY.

The CHAIRMAN. The first item is for law books for the office of the Solicitor of the Treasury for the fiscal year 1913, \$1."

Mr. HARRIS. That is for the subscription to the Federal Reporter.

The CHAIRMAN. Is that the price, \$1?

Mr. HARRIS. No; 50 cents a volume. There are two volumes, 201 and 202, of the advance sheets of the Federal Reporter.

The CHAIRMAN. How is it that this amount was not paid?

Mr. HARRIS. This bill was not presented by the company until after the appropriation was exhausted. This is for the office of the Solicitor of the Treasury, and the solicitor's office forgot that the bill was outstanding until after the appropriation was exhausted.

MISCELLANEOUS EXPENDITURES.

The CHAIRMAN. The next item is, "For miscellaneous expenditures, including the same objects specified under this head in the legislative, executive, and judicial appropriation act for the fiscal year 1912, \$29.80."

Mr. HARRIS. That is a bill for 1,000 pounds of washing powder, at \$0.0298 per pound, in all, \$29.80, purchased in the fiscal year 1912. The bill was not promptly presented. The department asked the contractor to present it—he is in Cincinnati—and asked him several times, but he did not present it until after the unexpended balance of the appropriation was turned into the Treasury.

The CHAIRMAN. Was there a balance here?

Mr. HARRIS. There was a balance, as I understand; but whatever it was, it was turned in.

ENFORCEMENT OF ANTITRUST LAWS.

The CHAIRMAN. The next item is, "For the enforcement of anti-trust laws, including the same objects specified under this head in the sundry civil appropriation act for the fiscal year 1913, \$921.71."

Mr. HARRIS. That is made up of two items. One is for \$790 in favor of Mr. A. G. Welch, special assistant United States attorney for the northern district of Illinois. He was employed in the cases of the United States v. the Chicago Butter and Egg Board and the United States v. Elgin Board of Trade. These cases were under the Sherman Antitrust Act for restraining trade in butter and eggs and the manufacture of butter. These cases have been pending for a long time and there were a large number of protests from independent dealers all over the United States. These bills were presented along in 1913 to Mr. Wilkerson, then United States attorney at Chicago, but he failed to send them in; he thought he would hold up the final payment to Mr. Welch anticipating that the cases would soon be disposed of, they were not disposed of until after he went out of office and then the bill came in for both 1913 and 1914.

The CHAIRMAN. What is the other item?

Mr. HARRIS. The other item is \$131.71. It is for the services of Messrs. Lee and Nightengale, stenographic reporters, of London, England. They took the testimony of J. Bruce Ismay there, and this bill was held up because there was some controversy as to whether the Government should pay for the taking of that testimony or whether the defendants should pay for it. It was testimony on behalf of the Government and it was finally arranged that the Government should pay it. The appropriation was exhausted before they finally determined that it was a proper charge against the Government.

Mr. Sisson. The Government had the deposition taken?

Mr. HARRIS. Yes; the Government had the deposition taken. The total bill is \$154.78, and the difference of \$23.07 is because of a copy furnished to defendant's counsel. The question arose as to who should pay that item, and that held up the whole bill until after the appropriation was exhausted.

COPPER RIVER & NORTHWESTERN RAILWAY CO.

The CHAIRMAN. The next item is "For the Copper River & Northwestern Railway Co." What is the situation with regard to that item?

Mr. KENNARD. I would suggest that this item is somewhat self-explanatory. This railroad company paid a tax of \$100 per mile required under an act which was shortly afterwards repealed. It is the only railway company which did pay the tax of \$100 per mile. They made a payment amounting to about \$19,000 to the clerk of the court. The law was then repealed and a substitute tax imposed on the gross income of railroads by the repealing act. This provision is to authorize the court to return the money paid under the

act which was repealed, provided the substitute tax or gross income is fully paid.

The CHAIRMAN. Was the law in force when they paid the tax?

Mr. KENNARD. The law was in force when they paid the tax.

The CHAIRMAN. Then why should it be refunded?

Mr. KENNARD. It was only in force for a few days, a very short period. They paid the tax for the full year and it is the only railroad company which has paid it.

The CHAIRMAN. There is only two railroads up there, are there not?

Mr. KENNARD. I do not know how many there are. I am not informed as to the amount of tax which they are to pay under the repealing act; the act which was a substitute for the \$100-per-mile act.

Mr. BARTLETT. Do you not know that the committee on Territories of the House reported a bill to authorize the return of this money and that the House would not pass it?

Mr. KENNARD. This particular money?

Mr. BARTLETT. Yes. The Committee on Territories during the last session reported a bill authorizing this very thing, but no action was taken. You had better look into it, Mr. Chairman.

The CHAIRMAN. That settles it. Is there anything else?

Mr. KENNARD. As we understand it this is merely a matter of adjustment.

The CHAIRMAN. It is a question of giving back money which the railroad paid in as a tax under the law?

Mr. KENNARD. They are to pay something else in lieu of it.

The CHAIRMAN. Well, we will not argue it, because if they were to pay more under the new arrangement they would not be asking for this return.

Mr. KENNARD. Would they not have to pay under the new law, anyway?

The CHAIRMAN. Well, suppose they do have to pay under the new law. If they paid this amount under the law requiring it, there is no reason why they should have it paid back.

Mr. KENNARD. The department understood that the intention of the repealing act was to do away with the other law.

COMMISSIONER OF GLACIER NATIONAL PARK.

The CHAIRMAN. The next item is, "For the Commissioner of Glacier National Park for the period from September 17, 1914, to June 30, 1915, \$1,183.33. The provisions of section 21 of the legislative, executive, and judicial appropriation act approved May 28, 1896, shall not be construed as impairing the right of said commissioner to receive said salary as herein provided."

Mr. KENNARD. The law provided for the appointment of this commissioner, and he was appointed. He assumed his duties, and he resides, I understand, in a log house in the park.

The CHAIRMAN. Did you appoint him to office when there was no appropriation?

Mr. KENNARD. Well, the law provides for his appointment.

The CHAIRMAN. But there was no appropriation for his compensation?

Mr. KENNARD. No; there was no appropriation.

The CHAIRMAN. Do you appoint men to office when there is no appropriation for the place?

Mr. KENNARD. The court appointed him. The law provided that he should be appointed, and he was appointed by the court.

The CHAIRMAN. The mere fact that he was appointed by the court does not make any difference. Suppose a place was made in one of the departments but Congress appropriated no salary for the place, do you contend that anybody would have the right to fill that place?

Mr. KENNARD. Do you not think he can collect this on suit?

The CHAIRMAN. What is this proviso?

Mr. KENNARD. It is the same proviso that has always been carried in a similar item for the commissioner in the Yellowstone National Park. The necessity is questionable, but in line with the precedent we put in the proviso. Undoubtedly he could receive a salary without this proviso, simply by an appropriation.

The CHAIRMAN. What does this proviso do?

Mr. COURTS. Instead of paying him by fees he is to be paid by salary.

Mr. KENNARD. The act of 1896 provides certain fees for commissioners; provides that they shall receive those fees and nothing else. Afterwards a law was enacted which provided a salary; therefore in reporting the item for an appropriation we put in a proviso that he is to receive said salary notwithstanding the adverse provision in the act of May 28, 1896.

Mr. BARTLETT. How does this come under the jurisdiction of the Department of Justice?

Mr. KENNARD. Items for United States commissioners are reported through the Department of Justice for the Yellowstone National Park and the Glacier National Park. There are only two salaried commissioners. The other commissioners are compensated by fees.

Mr. Sisson. Do these men get fees?

Mr. BARTLETT. No; they do not get anything.

Mr. KENNARD. No; these men do not retain any fees. Whatever fees these commissioners collect will be turned in to the Treasury.

Mr. Sisson. Is he out there in the park to keep order and try little cases that come up?

Mr. KENNARD. Yes.

The CHAIRMAN. What is the compensation fixed for this man?

Mr. KENNARD. \$1,500 per annum; the same as for the commissioner in Yellowstone National Park.

The CHAIRMAN. What does he do?

Mr. KENNARD. I presume he exercises the usual and customary functions of a United States commissioner; he acts as a committing magistrate.

The CHAIRMAN. What does he actually do?

Mr. HARRIS. He makes examinations under United States laws as an examining magistrate. He does the same as any other United States commissioner as to crimes committed in the park.

Mr. Sisson. Are there any crimes committed there?

Mr. HARRIS. Yes; there are crimes committed in the park, and he makes preliminary examinations as to the crimes committed in the park.

Mr. KENNARD. I might state that there was some question as to whether he should retain any fees, and it was decided by the com-

troller that he should not. Therefore any fees he may receive will be turned into the Treasury.

The CHAIRMAN. Have you a statement as to the amount of fees and costs collected by him during this period?

Mr. KENNARD. We have received no report from him so far of this nature.

Mr. BARTLETT. On what basis do you fix his compensation of \$1,500?

Mr. KENNARD. The compensation is fixed in the law providing for his appointment.

Mr. BARTLETT. I thought you said the law did not fix any compensation.

Mr. KENNARD. Yes; it fixes \$1,500, the same compensation provided for the Yellowstone National Park commissioner, who holds a like position.

Mr. BARTLETT. But the law made no appropriation for it?

Mr. KENNARD. That is correct.

Mr. SISSON. How much territory is in this park?

Mr. KENNARD. The Interior Department has information about that, Mr. Sisson. It is more of an Interior Department matter.

UNITED STATES COURTS.

SALARIES AND EXPENSES OF DISTRICT ATTORNEYS AND THEIR ASSISTANTS.

The CHAIRMAN. The next item is, "For salaries of United States district attorneys and expenses of United States district attorneys and their regular assistants, including the same objects specified under this head in the sundry civil appropriation acts for the fiscal years that follow." For the fiscal year 1915 the appropriation was \$615,000, and you are asking \$15,000 additional.

Mr. KENNARD. This deficiency arises purely in connection with the payment of the expenses of travel and subsistence, as well as office expenses, of the district attorneys. The reports show an increase in such expenses, for the first six months of this year as compared with the like six months of the preceding fiscal year, of from six to seven thousand dollars.

The CHAIRMAN. Were there any increases of salary during that six months over last year?

Mr. KENNARD. An amount was set aside for salaries by allotment at the opening of the year, and that is kept altogether separate.

The CHAIRMAN. Does this provide for any increases in salaries?

Mr. KENNARD. This deficiency is not intended for salaries in any manner. On the other hand, we will undoubtedly have a small balance of the salary allotment turned back, as we did last year.

The CHAIRMAN. Answer my question: Have you, in the first six months, provided for any increases of salaries over the salaries of the last fiscal year?

Mr. KENNARD. I would have to go over the records in order to answer that in detail. There were some changes made in salaries, some increases, and some new appointments.

The CHAIRMAN. Give us a statement of the number of increases of salaries and the number of increases of places.

Mr. KENNARD. For the first six months?

The CHAIRMAN. Well, up to date.

Mr. KENNARD. Then, again, there were some dropped off.

The CHAIRMAN. Give us a statement upon which we can base some action.

STATEMENT SHOWING CHANGES IN SALARY, NEW PLACES CREATED, PLACES ABOLISHED, AND TEMPORARY APPOINTMENTS UNDER ALLOTMENT FOR SALARIES OF CLERKS AND MESSENGERS TO UNITED STATES ATTORNEYS, FROM JULY 1, 1914, TO FEBRUARY 13, 1915.

In connection with the following statement it is respectfully submitted that the allotment for these salaries (including the statutory salaries of district attorneys) for the fiscal year 1914 was \$515,000. The allotment for the current fiscal year is \$530,000, Congress having provided \$15,000 additional requested for the specific purpose of adjusting this roll. (See hearings sundry civil bill, 1915, page 1219.)

These changes have, therefore, been made within the allotment. The allotment was placed at the same figure as that for the preceding fiscal year, plus the additional sum specifically requested and provided for such salaries.

Promotions of clerks in office of United States Attorney, southern district of New York, were made effective July 1, 1914:

Louis Bennett, from \$1,050 to \$1,150; Jerry Bonner, from \$1,500 to \$1,800; Mary A. E. Capper, from \$1,050 to \$1,300; James J. A. Carney, from \$600 to \$800; William J. Etgen, from \$2,100 to \$2,500; Joseph Leibowitz, from \$600 to \$800; John V. B. Merritt, from \$2,100 to \$2,500; Stephen H. Richards, from \$1,800 to \$2,000; A. B. Storm, from \$900 to \$1,000; Harry Horn, office boy, from \$7 per week to \$600 per annum.

Anna C. Crady, temporary clerk to United States attorney, Maryland; appointed July 1, 1914; salary, \$40 per month, commencing with July 1, 1914, and continuing not later than August 14, 1914.

Flora M. Gaddis, temporary clerk to United States attorney, Ohio northern; appointed August 1, 1914, for one month; salary, \$75 per month.

Alice Christian, temporary clerk to United States attorney, Indiana, appointed August 1, 1914, for one month; salary, \$75 per month.

Arthur B. Connelly, notified August 13, 1914, that commencing August 16, 1914, title will be assistant United States attorney, district of Maryland; salary, \$1,000 per annum, payable from "Pay, regular assistant attorneys, United States courts," in lieu of present appointment as clerk to United States attorney.

Anna C. Crady, temporary clerk to United States attorney, Maryland; salary increased July 15, 1914, from \$40 to \$50 per month, commencing August 1, 1914, and continuing until close of August 14, 1914.

Joseph Carroll, messenger to United States attorney, Massachusetts; salary increased from \$30 to \$50 per month, commencing August 16, 1914.

Mrs. C. L. Reinhardt, temporary clerk to United States attorney, Utah, appointed for not exceeding 30 days; salary, \$75 per month.

Joseph Stern, temporary clerk to United States attorney, New York, eastern; appointed for not exceeding 30 days; compensation, \$75 per month, commencing with e. o. d. August 15, 1914.

Adeline S. K. Brunkhorst, clerk to United States attorney, district of New Jersey, at \$900 per annum; appointed July 23, 1914; appointment probationary until November 23, 1914, and supersedes her temporary appointment.

Edith Jones, stenographer (temporary) in office United States attorney, eastern district of Washington, during absence of regular clerk; appointed August 21, 1914; salary, \$75 per month.

Mildred Leach, stenographer (temporary) in office United States attorney, southern district of California; appointed August 1, 1914; salary, \$90 per month.

United States attorney, southern district, Florida, authorized by telegram August 25, 1914, to employ substitute stenographer for three weeks, at \$15 per week. Ella M. Evans, stenographer; appointed August 25, 1914.

Hillard Bennett, clerk to United States attorney, third division, Alaska; salary increased September 1, 1914, from \$1,500 to \$1,800 per annum, effective that date.

Eleanor M. Jones, temporary stenographer in office United States attorney, western district of New York. United States attorney authorized to reemploy Miss Jones, at \$90 per month, from September 14 to October 31, 1914.

August J. Knapp, clerk in office United States attorney, southern, Ohio; salary increased September 16, 1914, from \$600 to \$720 per annum, effective that date.

Samuel Danzinger, clerk in office United States attorney, southern, New York; salary increased, effective September 19, 1914, from \$900 to \$1,050 per annum.

Loretta M. Lynch, clerk in office United States attorney, western, New York; salary increased from \$60 to \$900 per annum, effective September 15, 1914.

Michael J. Esposito, clerk to United States attorney, New York, southern; salary increased October 1, 1914, from \$900 to \$1,050 per annum.

Morris Schnorr, temporary clerk to United States attorney, New York, eastern; appointed October 15, 1914, for not exceeding three months; salary, \$75 per month.

George W. Kirby, temporary stenographer to United States attorney, New York, eastern; appointed for not exceeding three months; salary, \$75 per month, commencing with e. o. d. October 19, 1914.

Wallace C. Bourland, clerk to United States attorney, Arkansas, western, notified that commencing November 1, 1914, salary will be, until further notice, at rate of \$1,000 per annum.

Mary L. E. McKnight, clerk to United States attorney, New York, southern; salary increased to \$1,050 per annum, commencing November 18, 1914.

Nellie L. Buckley, clerk to United States attorney, Massachusetts, appointed November 13, 1914; salary, \$1,000 per annum, commencing with e. o. d. (Additional position.)

Irvin W. Schmidt, messenger (temporary) to United States attorney, Pennsylvania, western; appointed, effective November 11, 1914; salary, \$40 per month.

Mrs. Mary S. Pine, temporary stenographer to United States attorney, Pennsylvania, eastern; appointed December 5, 1914, for six weeks; salary, \$75 per month.

May A. Carney, clerk to United States attorney, New York, southern; salary increased from \$720 to \$1,050 per annum, commencing December 1, 1914.

Carl Brecher and Harold Berrmann, promoted December 1, 1914 from office boys, at \$365 per annum, to junior clerks, at \$600 per annum each, in office of United States attorney, New York, southern.

R. C. Lee, jr., transferred, effective December 16, 1914, from assistant United States attorney, and appointed clerk to United States attorney, Mississippi, southern; salary, \$1,000 per annum.

Alice Christian, temporary clerk to United States attorney, Indiana, appointed December 14, 1914, for two months; salary, \$75 per month.

The following promotions of clerks were made in the office of the United States attorney, New York, southern, December 1, 1914, effective December 1, 1914: Louis Bennett, from \$1,150 to \$1,200 per annum; Jerry Bonner, from \$1,800 to \$2,050 per annum; James J. A. Carney, from \$800 to \$860 per annum; Fred L. Campbell, from \$1,800 to \$1,950 per annum; Isabella Daly, from \$1,050 to \$1,200 per annum; James W. Donahue, from \$1,050 to \$1,172 per annum.

Henry I. Fruchter, from \$1,050 to \$1,172 per annum; Henry Horn, from \$600 to \$840 per annum; Joseph Loeb, from \$800 to \$860 per annum; Andrew J. Lynch, from \$1,200 to \$1,350 per annum; Florence Murray, from \$1,050 to \$1,098 per annum; Stephen H. Richards, from \$2,000 to \$2,150 per annum; Saul Steinlauf, from \$1,200 to \$1,350 per annum; Theresa C. Svensson, from \$1,200 to \$1,248 per annum; A. B. Storm, from \$1,000 to \$1,050 per annum.

Katherine Metcalfe, clerk to United States attorney, Tennessee, western; salary increased from \$1,080 to \$1,200 per annum, effective January 1, 1915.

United States attorney, Phoenix, Ariz., notified January 22, 1915, that position of clerk in his office, at \$1,200 per annum, is abolished, and he is authorized to select someone for appointment as assistant, to act also as clerk, payable from "Pay of regular assistant attorneys."

United States attorney, Pennsylvania, eastern, authorized January 29, 1915, to employ an additional clerk, at \$900 permanently.

United States attorney, Florida, northern, authorized February 2, 1915, to employ a confidential clerk for two months, compensation to be \$50 per month. F. R. Anderson appointed February 5, 1915.

United States attorney, Texas, southern, authorized February 2, 1915, to employ additional clerk for not over two months, at \$75 per month. Amelia Jaeger appointed February 8, 1915.

Thomas F. Ross, messenger to United States attorney, Oregon, notified that position will be abolished at close of February 28, 1915. Salary, \$50 per month.

Johnson E. Fleming, clerk to United States attorney, Illinois, eastern, salary increased February 1, 1915, from \$900 to \$1,500 per annum.

Joseph E. Connolly, messenger to United States attorney, California, northern, appointed February 1, 1915, salary \$40 per month, probationary for six months, superseding present temporary appointment, at \$720 per annum.

Mr. BARTLETT. How do you arrive at \$15,000 for this year?

Mr. KENNARD. We arrived at it by taking the actual expenses for the first six months and the estimated expenses for the next six months.

Mr. BARTLETT. Do you estimate that the expenses will be more or less for the next six months?

Mr. KENNARD. More.

Mr. BARTLETT. Why?

Mr. KENNARD. I presume increased judicial activity. Everything points to more business; we are having more expense for prisoners, more cases, more fees of commissioners, and more travel by district attorneys.

The CHAIRMAN. What is the state of your appropriation to-day?

Mr. KENNARD. The unexpended Treasury balance to-day is—

Mr. BARTLETT (interposing). The unexpended balance or the unappropriated balance?

Mr. KENNARD. The unexpended Treasury balance, "Salaries and expenses of United States district attorneys, 1915," is \$163,571.20.

The CHAIRMAN. Of what date is that?

Mr. KENNARD. That was the balance yesterday in the Treasury. Under the law, Mr. Chairman, we make an allotment for these salaries at the beginning of the fiscal year and proceed within it, keeping careful track of all the changes to see that we are within the amount allotted by order of the Attorney General for these salaries. We make a statement of the condition of the allotment every week, and if anything is left over we turn it back into the expense fund. We make no allotment for expenses, as they proceed automatically.

The CHAIRMAN. What appropriations are for statutory salaries?

Mr. KENNARD. The salaries of the district attorneys alone are statutory. I have that information right here. Three hundred and thirty-nine thousand two hundred dollars is the roll covering the statutory salaries of the district attorneys; the roll at present (that is, on February 13, the date of the last report) covering the clerks and messengers to attorneys under the control of the Attorney General is \$181,800. To that must be added six temporary clerks, at a total of \$5,610, making the entire liability on an annual basis \$526,610, while the allotment for salaries is \$530,000.

The CHAIRMAN. All above the statutory salaries are discretionary expenditures?

Mr. KENNARD. Yes; within the discretion of the Attorney General.

The CHAIRMAN. But he has to keep that within the appropriation?

Mr. KENNARD. The difficulty about it is that we are never able to tell exactly what the expenses will be.

The CHAIRMAN. But the department has to be conducted within the appropriation, otherwise we might as well save a lot of time and unnecessary work in trying to fix the amount.

Mr. KENNARD. I would suggest that we have payable out of one appropriation statutory expenses and salaries within the discretion of the Attorney General. We can not tell what the statutory expenses are going to be, and I take it the only thing we can do is to set aside what we think, from previous experience, will be the necessary amount, and make the rest the salary allotment.

The CHAIRMAN. For 1914 you have a deficit of \$3,900. How does that come about?

Mr. KENNARD. That is an actually ascertained deficiency on account of expenses. I have a statement of the various items making up the deficiency, if you would like to have it in the record.

The CHAIRMAN. State what they are.

Mr. KENNARD. There are quite a number of small bills for traveling expenses of district attorneys, assistant district attorneys, and bills for telegraph and telephone service.

The CHAIRMAN. Why were they not paid?

Mr. KENNARD. The appropriation for the expenses was exhausted before the close of the year. The lack of money was the sole reason for delayed payment in this case.

(The statement referred to follows:)

List of outstanding liabilities under the appropriation "Salaries and expenses of district attorneys, United States courts, 1914."

Alaska, fourth:

G. E. Gardner, assistant attorney.....	\$185.75
J. J. Crossley, attorney.....	498.65
B. A. Dodge, assistant attorney.....	466.00
J. J. Crossley, attorney.....	3.00

Arizona:

Mountain States Telegraph & Telephone Co.....	1.55
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Colorado:

Butler Disman, assistant attorney.....	84.50
Mountain State Telegraph & Telephone Co. et al.....	49.07
H. E. Kelley, United States attorney.....	20.90
Elgin Hand Laundry.....	.52

Delaware:

Diamond State Telephone Co.....	4.30
Postal Telegraph-Cable Co.....	7.12
Western Union Telegraph Co., Wilmington.....	.20

Georgia, northern:

Western Union Telegraph Co., Atlanta.....	.33
Southern Bell Telephone Co., Atlanta.....	2.25
Do.....	.45
Atlanta Telegraph & Telephone Co., Atlanta.....	15.00

Georgia, northern:

Postal Telegraph Co.....	.45
B. H. Jones, postmaster.....	3.00
J. W. Henley, assistant attorney.....	23.70
L. B. Field, temporary stenographer.....	51.00
W. P. Carpenter.....	21.10
Hooper Alexander, United States attorney.....	16.35
Postal Telegraph Co.....	.95

Idaho:

Merchants' Transfer & Storage Co.....	1.50
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Illinois, northern:

Western Union Telegraph Co.....	89.87
Chicago Telephone Co.....	136.94
Gunthrop Warren Printing Co. (printing indictments in O'Gara, New York Central rebating cases).....	365.00

Maryland:

Chesapeake & Potomac Telephone Co.....	15.05
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Massachusetts:

Western Union Telegraph Co.....	2.49
New England Telegraph & Telephone Co.....	3.76

Michigan, eastern:

Postal Telegraph-Cable Co.....	13.44
C. I. Webster, attorney.....	50.45
Western Union Telegraph Co.....	.34

Michigan, western:

Michigan State Telephone Co.....	12.40
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Missouri, southern:

W. B. Banks, attorney.....	282.28
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Nevada:	
Nevada Consolidated Telegraph & Telephone Co.....	\$4. 95
Western Union Telegraph Co	10. 00
New Jersey:	
Charles F. Lynch, assistant attorney.....	33. 40
J. Warren Davis, attorney.....	8. 75
Delaware Telegraph & Telephone Co.....	31. 40
Delaware & Atlantic Telephone & Telegraph Co.....	22. 00
Western Union Telegraph Co.....	2. 71
Do.....	4. 40
Do.....	3. 24
Walter H. Bacon	18. 05
New York, northern:	
C. T. Dolson, clerk to attorney.....	53. 64
T. H. Dowd, assistant attorney.....	126. 39
Postal Telegraph-Cable Co., Watertown.....	. 75
Postal Telegraph-Cable Co., Albany.....	. 58
New York State Telephone Co.....	11. 40
F. C. Groom, interstate commerce inspector.....	4. 65
J. H. Gleason, attorney.....	4. 82
Wilfred Munk.....	58. 02
W. S. Doolittle, clerk district court.....	2. 40
New York, southern:	
New York Society for Suppression of Vice.....	20. 00
Remington Typewriter Co.....	1. 20
New York Telephone Co.....	210. 73
Do.....	133. 30
North Carolina, eastern:	
E. M. Green, assistant attorney.....	58. 10
F. D. Winston, attorney.....	110. 49
Treasury Department.....	130. 00
Ohio, southern:	
Western Union Telegraph Co.....	15. 60
E. P. Moulinier, assistant attorney.....	27. 95
Cincinnati & Suburban Telephone Co.....	14. 05
Oklahoma, western:	
Western Union Telegraph Co.....	17. 48
Pioneer Telegraph & Telephone Co.....	61. 75
Oregon:	
Postal Telegraph-Cable Co.....	\$57. 13
Western Union Telegraph Co.....	18. 86
Pennsylvania, eastern:	
F. F. Kane et al.....	212. 30
Pennsylvania, middle:	
J. M. McCourt, attorney.....	20. 26
Western Union Telegraph Co.....	. 32
Texas, northern:	
James C. Wilson, attorney.....	210. 35
Underwood Typewriter Co.....	6. 50
Western Union Telegraph Co.....	20. 21
Postal Telegraph-Cable Co.....	1. 91
Southern Telegraph & Telephone Co.....	18. 05
Texas, western:	
Western Union Telegraph Co.....	. 79
Vermont:	
Alex. Dunnett, attorney.....	16. 80
American Express Co.....	1. 62
Passumpsic Telephone Co.....	6. 75
Virginia, western:	
R. E. Byrd, attorney.....	10. 06
West Virginia, northern:	
J. J. O'Brien, assistant attorney.....	23. 16
West Virginia, southern:	
Western Union Telegraph Co.....	10. 12
G. P. Alderson.....	30. 32
Southern Bell Telephone Co.....	78. 40
Postal Telegraph-Cable Co.....	2. 75

Overdrafts by disbursing officers, as follows:

Northern Iowa, United States marshal.....	\$235.53
Montana, United States marshal.....	369.10
Pennsylvania, middle, United States marshal.....	55.01
South Dakota, United States marshal.....	191.43
	\$851.07

	5,229.59
Less Treasury balance.....	1,303.00
	3,926.59

FEEES OF UNITED STATES COMMISSIONERS AND JUSTICES OF THE PEACE.

The CHAIRMAN. The next item is, "For fees of United States commissioners and justices of the peace acting under section 1014, Revised Statutes of the United States, for the fiscal years that follow." In 1915 you had an appropriation of \$120,000 and you are asking for \$20,000 additional.

Mr. KENNARD. I made an arrangement with the Treasury Department under which they were not to certify the claims under fees of commissioners, but, notwithstanding that arrangement, through some error, I find that they have certified to \$17,404.32. I have asked for \$25,000 for 1914, but that can be reduced to about \$7,000.

The CHAIRMAN. For 1914?

Mr. KENNARD. Yes, sir; the Treasury has certified the difference.

The CHAIRMAN. For 1915 the appropriation asked for is \$20,000?

Mr. KENNARD. For 1915 we would urge that the entire amount be appropriated, as the fees of the commissioners are increasing and it is embarrassing to have them wait, there are so many of them.

The CHAIRMAN. What is the state of your appropriation now?

Mr. KENNARD. The Treasury balance is \$71,191.60, but not much more than one quarter's amounts have been paid. These accounts are paid on direct settlement.

FEEES OF JURORS.

The CHAIRMAN. The next item is, "For fees of jurors, \$50,000."

Mr. KENNARD. A careful tabulation of expenses and anticipated expenses indicates that there will be an increase in expenses for jurors for this fiscal year—in the last six months particularly. I have tabulated reports from all the different districts.

The CHAIRMAN. How much did you spend in 1914?

Mr. KENNARD. We spent \$1,117,000, in round numbers.

The CHAIRMAN. How much in 1913?

Mr. KENNARD. In 1913 we spent all of the appropriation except \$339, so we practically spent it all. Among the important cases which have been mentioned by the marshals in submitting their estimates are the election-fraud cases in Indiana, the case of the United States against the Carbon Steel Co. for furnishing defective material for the Panama Canal, and also the proposed investigation of the butter and sugar trusts in Utah. If these cases are tried, there will be longer sessions of the juries, undoubtedly, and it runs into money very rapidly.

The CHAIRMAN. What is the state of your appropriation to-day?

Mr. KENNARD. We have in the Treasury not yet advanced \$347,771.07. We have practically completed advances for the March quarter, so that what is left will represent, roughly, one full quarter.

Mr. BARTLETT. Referring to what you call the election-fraud cases in Indiana, how much of the expenses for that particular purpose have been incurred, do you know?

Mr. KENNARD. On those cases?

Mr. BARTLETT. Yes.

Mr. KENNARD. I could have it prepared from field reports, but I haven't it with me.

Mr. BARTLETT. As I understand it, about 100 indictments have been found, and probably half of those indicted plead guilty, and there were 40 demurrers filed, and the demurrers overruled, and the cases are now awaiting trial until the demurrer shall be finally determined. Is not that the state of it?

Mr. KENNARD. I am not informed as to the exact state of the cases. I have here a letter from the marshal.

Mr. BARTLETT. I should like to have that.

Mr. KENNARD. Dated January 4, in which he says that for both the March and the June quarters the money will be needed in the investigation and trial of the so-called election-fraud cases, also on account of the fact that said election cases have delayed the regular criminal work of the court. That is his statement.

Mr. BARTLETT. How could the delay in the criminal work of the court increase the expenses?

Mr. KENNARD. I do not see the force of his argument at all, but that is his statement.

Mr. BARTLETT. Does he say how much will be required?

Mr. KENNARD. No; but his estimate for the year is between \$6,000 and \$7,000 more. It is very difficult to get any exact information about those things.

Mr. BARTLETT. Yes; I apprehend so.

Mr. KENNARD. In fact, it is largely a guess, at best.

Mr. BARTLETT. How much of this \$50,000 do you estimate for that case?

Mr. KENNARD. According to his letter all the estimated increase in that district is due to those cases, \$6,000.

Mr. BARTLETT. I understood you to say you could get some information about the disposition made of the cases so far?

Mr. KENNARD. I could get that information from the field, yes, sir.

Mr. BARTLETT. Have you got it in the office? I do not care to have you send out for it.

Mr. KENNARD. There may be something there, and if there is I will send it up. You want to know the status of the cases?

Mr. BARTLETT. Yes. I read the judge's opinion upon the demurrer, and I apprehend the demurrer having been overruled, the cases in which pleas of guilty have not been entered will stand until the demurrer is settled by the higher court. I apprehend that will be true.

Mr. KENNARD. That would seem so, although I do not know what the status is.

Mr. BARTLETT. It seems to me the Supreme Court will not reach these cases until the end of the fiscal year, and if they are not tried this sum certainly will not be needed.

FEES OF WITNESSES.

The CHAIRMAN. "Fees of witnesses," the appropriation is \$1,100,000, and you are asking \$100,000 additional. What was actually spent in 1914?

Mr. KENNARD. We expended for 1914 \$1,217,000 in round numbers. The appropriation was \$1,240,000, and if this deficiency is appropriated we will then have had \$40,000 less than was appropriated in 1914 and less than was expended in 1914. It is evident that it will be needed.

The CHAIRMAN. What is the condition of the appropriation now?

Mr. KENNARD. The Treasury balance is \$312,208, which represents about one quarter's expenses.

The CHAIRMAN. What is your estimate of this deficit based on?

Mr. KENNARD. It is based on the reports which have been gathered from each of the 86 districts. After conference with the district attorneys and judges of the courts, the marshals have endeavored to determine what will be needed as nearly as practicable. The actual and estimated expense for this year as shown by this particular tabulation is \$1,168,508.

The CHAIRMAN. They are always exaggerated, are they not?

Mr. KENNARD. I am inclined to think this is conservative.

The CHAIRMAN. Why? They never did spend as much as they estimated since you have been in the department.

Mr. KENNARD. We have sent out a circular to our field officials urging them to make every effort to reduce the expenses of running their particular districts. They are directed in that circular to pay particular attention to fees of witnesses and the subpoenaing of only necessary witnesses. I think that has had some effect upon the preparation of this estimate. We told them that we would put them on their record and would examine results. I believe to avoid possible embarrassment we should certainly have this \$100,000 additional, which is then less than the year before.

PAY OF BAILIFFS AND CRIERS.

The CHAIRMAN. "For pay of bailiffs and criers," the appropriation is \$275,000, and you are asking for \$20,000.

Mr. KENNARD. We estimated \$290,000, and you gave us \$275,000. In the southern district of New York the marshal, who is a very excellent and a very careful official, estimates his expenses under this appropriation for this year at nearly \$11,000 more than they were the year before.

The CHAIRMAN. Why?

Mr. KENNARD. I assume on account of the numerous judges that have been brought from other points to help dispose of the enormous amount of accumulated business there. That is the main item.

The CHAIRMAN. That is 50 per cent of your request.

Mr. BARTLETT. Does it take more bailiffs and criers when a visiting judge comes than when the regular presiding judge holds court?

Mr. KENNARD. No; but the expenses of the visiting judge have to be paid. This appropriation is also for the payment of the judge's expenses; his subsistence and travel.

The CHAIRMAN. How many outside judges have you had over there—two?

Mr. KENNARD. I am not informed. I think we had more than two, however.

MISCELLANEOUS ITEMS.

The CHAIRMAN. Miscellaneous expenses for 1911, \$78.83.

Mr. KENNARD. I thought I might save the time of the committee by preparing a statement of these claims, with the reasons, as far as we could ascertain them, why they have been delayed, and the character of each claim.

Miscellaneous expenses, United States courts.

	1911	1910	1909	1908	1907	1906
ALASKA, SECOND.						
D. W. Herman.....		\$25.00				
Services as expert witness at Nome, Alaska, in the matter of the effect of powder stains on clothing, and the distance of the muzzle of the gun from the object stained, etc. One day, May 10, 1910.						
The delay in the settlement of this bill is due to the extended correspondence concerning the right of the claimant to receive this compensation in view of the fact that he was a commissioned officer in the United States Army. It has been held that he is entitled to the amount claimed.						
SOUTHERN FLORIDA.						
William Hunter.....	\$13.34		\$20.66			
For services as master in the case of <i>The United States v. Phillip Timmons</i> . Charge is made for per diem of \$2 on February 18, 1911, and for taking and reporting 10 pages of testimony and making a copy thereof, \$11.34. Also for per diem of \$2 on May 18, 1909, and for \$18.66 for taking and reporting 16 pages of testimony and making copy for district attorney.						
It appears that these bills were originally paid by the United States marshal from funds for the wrong fiscal year. The amounts were disallowed and collected by the marshal from the claimant, who now presents the claim for direct settlement, which has been approved for \$34.						
MASSACHUSETTS.						
Warren Five-cent Savings Bank.....	25.00	25.00	25.00	\$25.00	\$25.00	\$9.23
For rent of storage vault from February 17, 1906, to June 30, 1911, at the rate of \$25 per year. For storing evidence and exhibits in the case of the <i>United States v. J. W. Dickinson</i> .						
This bill was not rendered by the bank until it was finally determined that the evidence would be no longer needed. This is the sole cause of the delay in presentation.						
NORTHERN NEW YORK.						
The Saratogian.....	10.40					
For printing 20 copies of brief in the case of <i>Chu King Toon v. United States</i> , 16 pages at 65 cents per page.						
It appears that the services were performed, and that there was neglect on the part of the office of the district attorney in sending in the bill for settlement.						
EASTERN NEW YORK.						
The Standard Union.....	22.90					
For advertising attachment of 915 pieces of mahogany lumber, 27 lines, 14 times at 10 cents per line each time, less \$15 realized from the sale, this being the balance due.						
It appears that the presentation of this bill was deferred pending the decision of the court in the case, which was rendered on Oct. 31, 1913. The proceeds of the sale of the lumber were applied in part payment of the settlement of this bill.						

Miscellaneous expenses, United States courts—Continued.

	1911	1910	1909	1908	1907	1906
EASTERN VIRGINIA.						
The News Publishing Co.	\$5. 25					
For publishing an order of the court in the case of The United States v. A Certain Parcel of Land in Franklin, Southampton County, Va., proposed to be condemned.						
The United States district attorney states in a letter of October 27, 1914, that he assumes the delay in this matter is on account of the failure of the News Publishing Co. to promptly present the bill.						
INDIANA.						
The Indianapolis Star.	24. 04					
For publishing notice in the case of United States v. Five Barrels of Gelatine.						
It appears that when this property was seized and destroyed all bills in the case were paid except this one, which was inadvertently omitted from the file.						
Total	\$78. 83	\$50. 00	\$45. 06	\$25. 00	\$25. 00	\$2. 22

SUPPORT OF PRISONERS.

The CHAIRMAN. For the support of United States prisoners.

Mr. KENNARD. The amount estimated for 1914 is practically the exact amount needed to cover outstanding liabilities.

The CHAIRMAN. \$17,000; that is an actual ascertained deficit?

Mr. KENNARD. Yes.

The CHAIRMAN. For 1915, \$150,000 is asked. You had \$500,000. How do you account for that?

Mr. McGLASSON. We have two classes of expenditures—those for prisoners in county jails and those for prisoners in State penitentiaries. The jail accounts for the first six months total \$234,000, and that is \$30,000 more than the expenses for the first half of the preceding year. The marshal's estimates of the expenses for jails for the last half of the year are \$333,000, which is \$30,000 greater than the expenses for the last half of the preceding year. The penitentiary accounts for the first six months aggregate \$41,000, and estimating double that for the full year, \$82,000, makes a total of \$650,000, whereas the appropriation is only \$500,000.

The CHAIRMAN. Is that due to the increase in the number of prisoners?

Mr. McGLASSON. I think it is partly due to that.

The CHAIRMAN. What else?

Mr. McGLASSON. Partly due to the increased cost per prisoner.

The CHAIRMAN. Why is that?

Mr. McGLASSON. The jailers are demanding more money.

Mr. BARTLETT. What has been the average amount paid for prisoners confined in jails of the United States?

Mr. McGLASSON. For the fiscal year 1914 the average per capita cost for the entire country was 76 cents. In 1913 the cost was 82 cents.

The CHAIRMAN. What is it this year?

Mr. McGLASSON. We have not got the number of days' subsistence for this year

Mr. BARTLETT. Do they give any reason why they ask for the increase?

Mr. MCGLOSSON. The jailers give the reason that the fees they are getting are not sufficient to cover the cost of keeping the prisoners.

The CHAIRMAN. Do you not make contracts at these different places?

Mr. MCGLOSSON. We make contracts wherever we can.

Mr. BARTLETT. Do you pay more or less than the amount that the local county authorities and the States pay for keeping their own prisoners in jail?

Mr. MCGLOSSON. As a rule we pay less, in some cases we pay the same, and in a very few cases we pay more.

Mr. SISSON. What do you generally pay?

Mr. MCGLOSSON. The average per capita cost is 76 cents. That, however, includes medical attention, clothing, food, and guarding.

Mr. BARTLETT. The United States authorities employ the medical attention, and the fees of the surgeons are estimated in the cost, I suppose?

Mr. MCGLOSSON. In some cases the fee paid the jailer includes medical attention and in other cases they do not include medical attention, and we must furnish our own physicians.

Mr. BARTLETT. You estimate that in the cost of keeping the criminal in jail, of course?

Mr. MCGLOSSON. Yes; 76 cents covers that also. Sometimes the rate is made high enough to warrant the jailer in furnishing medical attention without any additional cost.

SUPPORT OF DISTRICT OF COLUMBIA CONVICTS.

The CHAIRMAN. "Support of convicts: For support of convicts, including the same objects specified under this head in the District of Columbia appropriation acts for the fiscal years that follow." For 1914 you are asking \$16,781.39.

Mr. KENNARD. The deficiency for 1914 is to cover the ascertained liabilities under this appropriation. There are four items which I have listed here which I can insert if you would like to have it.

Mr. BARTLETT. Yes.

(The items are as follows:)

List of items constituting deficiency in support of convicts, District of Columbia, 1914.

1. Charges for maintenance of District of Columbia prisoners in the United States penitentiary at Leavenworth, Kans., during the June quarter, 1914.....	\$10,617.32
Refunded to the penitentiary appropriation on account of above charges.....	5,500.00
Balance due penitentiary appropriation.....	5,117.32
2. Bill of Maryland State penitentiary for support of District of Columbia convicts, June quarter, 1914.....	4,194.05
3. Bill of New York State reformatory for support of District of Columbia convicts, June quarter, 1914.....	38.33
4. Bill of Minnesota State prison for support of District of Columbia convicts, June quarter, 1914.....	7,431.69
	\$ 16,781.39

Unexpended Treasury balance, \$422.52.

Mr. BARTLETT. That is the ascertained deficiency?

Mr. KENNARD. Yes.

The CHAIRMAN. For 1915 you are asking for \$47,000?

Mr. McGLASSON. Our expenses for 1914 were \$115,000. The number of District convicts is about the same, but we estimate there will be an increased expense of \$2,000 this year due to a transfer of prisoners which we must make from one prison to another.

The CHAIRMAN. What do you mean by a transfer?

Mr. McGLASSON. We have 115 District convicts in the Minnesota State Prison at Stillwater, and we have received notice to take them away from there and expect to make the transfer in the next week or two, which will cost about \$2,000.

Mr. Sisson. Do you send prisoners from the District to Minnesota?

Mr. McGLASSON. Yes, sir.

Mr. Sisson. Why do you send them so far?

Mr. McGLASSON. Because there is no institution any closer that will take them. We tried the West Virginia penitentiary, the Ohio penitentiary, and the Illinois penitentiary, and the nearest point we could take them to was Stillwater.

Mr. BARTLETT. Is the Atlanta penitentiary full?

Mr. McGLASSON. Yes, sir.

Mr. Sisson. Where do you take them now?

Mr. McGLASSON. We are going to transfer them to the penitentiary at Leavenworth, Kans., a Federal prison.

Mr. Sisson. Why did you not send them there in the first place?

Mr. McGLASSON. By the 1st of July we expect to have a new cell wing completed at Leavenworth. We just recently completed a hospital building in which we expect to put these additional prisoners. We had not those accommodations when we sent them to Stillwater.

FEEES OF JURORS, SUPREME COURT, DISTRICT OF COLUMBIA.

The CHAIRMAN. Supreme Court, District of Columbia, fees of jurors, \$10,000.

Mr. KENNARD. This deficiency is estimated for the reason that four of the courts in the District are having jury trials five days a week instead of four, while the grand jury is frequently sitting six days a week instead of four on account of congested dockets.

The CHAIRMAN. How much was expended last year?

Mr. KENNARD. The expense for jurors in 1914 was \$53,244. The expense for the first six months of this present year was \$3,000 greater than for the like six months of the preceding year. The actual and estimated expenses are \$67,000. It is a matter of considerable importance to have this money, because the moment the appropriation runs out the court is adjourned.

The CHAIRMAN. Why?

Mr. KENNARD. I understand the sentiment is they will not hold court and create bills for jurors or witnesses in excess of the appropriation. It has occurred before and will occur again, undoubtedly. That means delay in the transaction of business and perhaps additional expense

FEES OF WITNESSES, SUPREME COURT, DISTRICT OF COLUMBIA.

The CHAIRMAN. For fees of witnesses and payment of the actual expenses of witnesses in said court, as provided by section 850, Revised Statutes of the United States, \$3,000.

Mr. KENNARD. The same situation pertains with reference to witnesses. The actual expense for the part of the year already past has been materially greater than the expenses were during the preceding year.

The CHAIRMAN. How much?

Mr. KENNARD. For the first six months of this year we paid out for witnesses \$6,039, and the like expense for 1914 was \$3,594. Therefore, for just six months we have an increase of \$2,400.

The CHAIRMAN. How much did you spend in 1914?

Mr. KENNARD. For the first six months, \$3,594.

The CHAIRMAN. How much did you spend all told?

Mr. KENNARD. For the whole year, \$11,538.

The CHAIRMAN. And you only spent \$3,000 for the first six months of last year?

Mr. KENNARD. \$3,594.

Mr. BARTLETT. You have not spent quite half of your appropriation for this year?

Mr. KENNARD. But it is to be remembered that the September quarter contains the months of July and August, when there is very little doing in court business. It is the smallest quarter and does not measure up to the others at all.

MISCELLANEOUS EXPENSES, SUPREME COURT OF THE DISTRICT OF COLUMBIA.

The CHAIRMAN. For miscellaneous expenses for 1915, \$2,500.

Mr. KENNARD. I have prepared a schedule of the old claims for the information of the committee. There was an error made in apportioning it as to fiscal years, and I would like to have that error corrected. It does not increase the amount of the reported deficiency, but is simply a transfer.

The CHAIRMAN. You mean in the amount as transmitted?

Mr. KENNARD. Yes, sir. This schedule is correct, but the amounts as reported should be changed as follows: For 1912 we need \$73 instead of \$108, and for 1913 we need \$348.90 instead of \$313.90, a transfer of \$35 from 1912 to 1913.

The CHAIRMAN. Is that all?

Mr. KENNARD. Yes.

(The statement referred to follows:)

Miscellaneous expenses, Supreme Court District of Columbia.

	1914	1913	1912	1911	1910	1909	1908
Charles S. White, for performing autopsies in April, May, and June, 1914, in 9 cases, at \$25 each.....	\$225.00						
Adam Weschler, for appraisement and storage of goods seized under the pure food law, in the case of United States v. Five Cases of Gin. The delay in the presentation of the bill for payment was due to the long delay in concluding the litigation. The matter was disposed of under an order of December 29, 1913, while the case was instituted sometime in 1909. Charge for appraisement \$5. Charges for storage, at 25 cents per month for 5 cases of gin, \$12.78.		\$8.00	\$3.00	\$3.00	\$3.00	\$0.78	
Warren M. Mitchell, for reporting testimony at coroner's inquest, 46 folios, at 15 cents per folio. Claimant states that the bill was held in the office of the United States district attorney. It is not known why.		6.90					
Potomac Electric Power Co., for electric light bulbs for use in the Courthouse Building, District of Columbia, 40 lamps, at 20 cents each.....		8.00					
Smith & Hulse, for reporting case of United States v. Fletcher, Noble & King, 965 folios, at 15 cents per folio. It appears that there was some delay on the part of the claimants in soliciting settlement of their bill, and in the meantime the appropriation became exhausted.		144.75					
Smith & Hulse, for reporting the case of the United States v. Edward W. Mollohan, 1,010 folios, at 15 cents per folio. Situation similar to that stated for the preceding bill.	151.50						
Dr. D. Percy Hickling, services as medical expert in examining Thomas Sharp, indicted for manslaughter, with a view to determining his mental condition, 1 day, at \$50.....		50.00					
Dr. D. Percy Hickling, similar services to the above in the case of United States v. James Davis, charged with robbery, 1 day, at \$50.....		50.00					
Dr. D. Percy Hickling, professional services in the case of the United States v. May King, charged with conspiracy. Defendant claimed illness and was examined by this physician to determine her actual physical condition. Charge is made for 5 visits, at \$2 each.....		10.00					
Dr. D. Percy Hickling, services similar to the above in making physical examination of Annie Brooks, the complaining witness in the case of the United States v. Levi Simpson.....		10.00					
Dr. D. Percy Hickling, for services in making an examination of Robert D. Carter, charged with false pretenses, in accordance with the request of the presiding judge, with a view to determine the mental condition of the accused: charge is made as for per diem, for 1 day, Dec. 9, 1913.....	50.00						
Cuno H. Rudolph, services as juror in the matter of the condemnation of land for the extension of the Zoological Park. Charge is made for 11 days, at \$5 per day.....	55.00						
James L. Parsons, for similar services as juror in the matter above mentioned.....	55.00						
Patrick T. Moran, for similar services as juror in the matter above mentioned.....	55.00						
Ernest G. Walker, for similar services as juror in the matter above mentioned.....	55.00						
George W. Ray, for similar services as juror in the matter above mentioned.....	55.00						
Smith & Hulse, for furnishing copy of hearing before United States steamboat inspectors, in re collision of the motor launch Lotus, with the steamer Angler, 260 folios, at 10 cents per folio; copy for use of United States district attorney's office in the case of The United States v. Arthur W. Simpson.....	26.00						

Miscellaneous expenses, Supreme Court District of Columbia—Continued.

	1914	1913	1912	1911	1910	1909	1908
F. W. A. Buschman, for transporting prisoner under writ of habeas corpus ad testificandum to testify in the case of <i>The United States v. Samuel Robertson</i> , from Baltimore, Md., to Washington, D. C., and return; actual expenses only.....	\$7.50						
J. H. Mackay, this item is for the reimbursement of the appropriation "Lighting, heating and power system for courthouse, Washington, D. C.," for cost of electric fans purchased for the courthouse, the Comptroller of the Treasury holding that the item was properly chargeable against the appropriation "Miscellaneous expenses, Supreme Court, District of Columbia," and not against the appropriation from which payment was originally made.....	101.50						
Smith & Hulse, for furnishing carbon copy of proceedings at inquest on body of J. D. Rogerson, 62 folios, at 10 cents; for use in the case of <i>The United States v. Clarence Rowzee</i> , indicted for murder.....	6.20						
Smith & Hulse, for reporting proceedings at inquest on body of John Davis; for use in the case of <i>The United States v. Israel Winston</i> , charged with murder, 75 folios, at 15 cents.....							
The original bill was mislaid and some delay transpired before the second bill was prepared and presented.							
Smith & Hulse, for services in reporting the case of <i>The United States v. Arthur Johnson</i> , 535 folios, at 15 cents.....				\$80.25			
It appears that the bills for this service were filed in the office of the district attorney in due season, but were not presented to the department for action. The delay in the settlement appears to be due to neglect in the office of the district attorney.							
Smith & Hulse, for reporting the case of <i>The United States v. G. M. Williams</i> , 700 folios, at 15 cents.....		35.00	\$70.00				
The cause of the delay in the presentation of this bill for settlement is the same as in the preceding item.							
Smith & Hulse, for reporting arguments and testimony in the case of <i>The United States v. Beverly J. Claggett</i> on motion for a new trial, 100 folios, at 15 cents.....		15.00					
The delay in presentation for settlement is similar to that given for the preceding item.							
Law Reporter Printing Co., for printing 50 copies of defendant's brief in the case of <i>Joseph Carolucci</i> , Court of Appeals, District of Columbia, 23 pages, at \$1 each, and \$2 for cover.....							\$25.00
The cause of the delay in the presentation of this bill for settlement is now under investigation. No satisfactory information is yet in hand on this point, and the bill is held, pending its receipt.							
Total.....	842.70	348.90	73.00	83.25	\$3.00	\$0.78	25.00

Mr. BARTLETT. I notice you have some charges there for jurors at \$5 a day in condemnation proceedings. What do you mean by that?

Mr. KENNARD. They are really commissioners to appraise the value of property.

Mr. BARTLETT. I understand it now. You call them jurors?

Mr. KENNARD. Yes.

The CHAIRMAN. For 1915 you are asking \$2,500.

Mr. KENNARD. The Department of the Interior has made a change in the method of calculating the amount charged for heat furnished the courthouse, and that change will increase the cost of the heat. They charged us formerly on the number of square feet of radiation, while they are now charging us 25 cents for so many gallons of condensed water returned through a meter. They are also furnishing us with light, whereas formerly light was furnished by a commercial corporation and the cost of the light was split up by individual meters under different appropriations. Now it is furnished by the Department of the Interior and charged generally against the building.

Mr. BARTLETT. Does that make the heat and light cost more?

Mr. KENNARD. The heat costs more than it did last year on account of the change in the method of computing what we are entitled to pay. Probably we got it too low last year. I think they mean to deal fairly with us. The light will not cost any more or very little more, but it will all be paid from this fund rather than from a number of different funds.

PAY OF BAILIFFS, DISTRICT OF COLUMBIA.

The CHAIRMAN. "For pay of bailiffs, \$200." What year is this for?

Mr. KENNARD. This is for the current year, 1915. There is only \$600 of this appropriation available for meals and lodgings for jurors, and I understand we have about one dozen homicide cases yet to try this year in which the jury will undoubtedly be locked up and will have to be subsisted. We have spent nearly \$250 of this small amount of \$600 already, and unless we get a little additional money we will not have enough to feed the juries.

The CHAIRMAN. How much money have you left of the appropriation all told?

Mr. KENNARD. The unexpended Treasury balance is \$8,902.20. The amount in the hands of the marshal is \$2,389.53, but this appropriation, with the exception of \$600, just provides for the pay roll. There are so many bailiffs and so many criers regularly provided by the code.

SPECIAL ASSISTANTS TO ATTORNEY GENERAL AND DISTRICT ATTORNEYS.

The CHAIRMAN:

For assistants to the Attorney General and to United States district attorneys employed by the Attorney General to aid in special cases, for the fiscal years that follow:

For nineteen hundred and twelve. \$100.

For nineteen hundred and eleven. \$50.

Mr. HARRIS. This is to pay P. B. Coolidge, special assistant to the United States attorney for the district of Wyoming. Mr. Coolidge was retained to represent the defendant, Alta R. Hanway, an Indian allottee, in the suits of the Big Horn Railroad Co. against him to secure right of way over his allotment, and the Big Horn Power Co. to secure a site for a dam and power house, and also for damages because of the acres of ground of his allotment submerged because of the construction of the dam. This appointment was made way back in 1910, under the act of March 3, 1893, which provides for the furnishing to allotted Indians on reservations of counsel; that is, the

United States attorney represents them. This litigation was in the State court at Lander, Wyo., about 400 miles from Cheyenne, where Federal court is held.

The terms of the State court conflicted with those of the United States court, and because of that fact it was impossible for the United States attorney to go to Lander, and for that reason special counsel was employed in the person of Mr. Coolidge. These bills were not presented under the theory that they should be held up until final adjudication of both of these cases. The railroad company paid in \$250, the amount adjudged against it, and an agreement to settle with the power company for \$600 was made, but they are insolvent, and suit is now pending against them to recover that amount, which was agreed to be due in the original case; but that is another case, and that had to be brought in the United States court because of the insolvency of the concern. For that reason the bills were not paid. Had they been presented at the proper time they would have been audited and paid.

Mr. BARTLETT. It was the duty of the district attorney to represent the Indian allottee?

Mr. HARRIS. Under that act; yes, sir.

Mr. BARTLETT. And he not being able to do it employed some one else to do it?

Mr. HARRIS. Yes, sir.

Mr. BARTLETT. And the man he employed represented the Indian and is asking for the payment of this fee?

Mr. HARRIS. This man received an appointment from the Attorney General.

Mr. BARTLETT. I understand that. What became of the money the railroad paid in?

Mr. HARRIS. That was paid to the allottee. That was handled through the Indian agent of the Shoshone Reservation.

SATURDAY, FEBRUARY 20, 1915.

POSTAL SERVICE.

REWARDS FOR DETECTION, ARREST, AND CONVICTION OF BURGLARS,
ETC.

STATEMENT OF MR. JOE P. JOHNSTON, CHIEF INSPECTOR.

The CHAIRMAN. "For payment of rewards for the detection, arrest, and conviction of post-office burglars, robbers, and highway mail robbers for the fiscal years that follow: For 1914, \$16,502.59."

Mr. JOHNSTON. And in 1913, \$5,755.32.

The CHAIRMAN. How do you happen to have a deficiency?

Mr. JOHNSTON. We have no means of determining what claims are going to come in against that appropriation.

The CHAIRMAN. Is the reward fixed by statute?

Mr. JOHNSTON. The Postmaster General is authorized to offer rewards, and he issues a proclamation offering certain rewards for arrest and conviction.

Mr. BARTLETT. And fixes the amount to be paid in each case?

Mr. JOHNSTON. Yes. We never secure enough money in the appropriation.

The CHAIRMAN. Is there a limit fixed by statute on the reward that can be offered?

Mr. JOHNSTON. No; the limit is fixed by the Postmaster General's proclamation.

The CHAIRMAN. Without limit?

Mr. JOHNSTON. Yes.

The CHAIRMAN. How high do they run?

Mr. JOHNSTON. For train robbers we pay \$1,000.

The CHAIRMAN. There must be a conviction?

Mr. JOHNSTON. Oh, yes. For stage robbers, \$500, and then it drops down to \$50 for burglars.

The CHAIRMAN. And this is the amount actually due for those two years?

Mr. JOHNSTON. Yes; the claims pending chargeable to 1913 amount to \$5,775, and we have a balance of \$19.68 in the appropriation.

Mr. GILLET. Is there a fixed reward in each case or is there a general scale?

Mr. JOHNSTON. There is a general scale. The estimated deficiency for 1913 is \$5,755.32, while the estimated deficiency for 1914 is \$16,502.59. We can not tell in advance what these rewards are going to amount to. It depends on the activity of the crooks and the activity of the officers.

The CHAIRMAN. This is to meet the rewards that have actually been earned?

Mr. JOHNSTON. Yes, sir.

SATURDAY, FEBRUARY 20, 1915.

INJURED POSTAL EMPLOYEES.

STATEMENT OF MR. JOHN B. CADY, ASSISTANT CHIEF CLERK.

The CHAIRMAN. "For postal employees injured or killed while on duty, including the same objects specified under this head in the Post Office appropriation act for the fiscal year 1915, \$85,000."

The appropriation for 1915 is \$134,500. Is this only for compensation for injured or killed employees, or is it for other purposes?

Mr. CADY. It is only for the purposes set forth in the act.

The CHAIRMAN. How do you figure you will need \$85,000 additional?

Mr. CADY. The appropriation of \$134,500 for 1915—this year—was intended to cover only railway postal clerks, substitute railway postal clerks, supervisory officials of the Railway Mail Service, and post office inspectors; but after the estimates of the department were submitted, letter carriers in the City Delivery Service, rural letter carriers, post-office clerks, special-delivery messengers, were all included in the act without any additional money being appropriated, and a deficiency appropriation of \$85,000 is requested to meet the claims of the employees who were not estimated for.

Mr. BARTLETT. Have you gotten any of those claims yet?

Mr. CADY. Yes.

Mr. BARTLETT. For what class of persons?

Mr. CADY. The claims that are in now and pending aggregate \$89,370.81, and it is estimated that there will be claims for the remainder of the year aggregating \$125,422.47.

The CHAIRMAN. Your estimate of \$89,000 includes claims of all classes?

Mr. CADY. Yes, sir; claims of all classes. Those are in and some have been paid and some are pending.

The CHAIRMAN. How much has been paid out so far?

Mr. CADY. I could not tell that, because the appropriation is under the jurisdiction of the Second Assistant at this time, and it is estimated for the coming year under the Postmaster General's Office because the employees of all classes are now included under the act, so that he now has the appropriation.

Mr. BARTLETT. Have you the classes other than railway mail clerks or inspectors who have come in since this act?

Mr. CADY. Yes, sir; the clerks and—

Mr. BARTLETT (interposing). I understand the classes of people to which it applies, and I want to know if you have had any claims under that extended authority?

Mr. CADY. Yes, sir; we have claims pending for clerks in post offices aggregating \$3,455, and for letter carriers in the City Delivery Service aggregating \$25,443.

Mr. BARTLETT. For injuries to those people?

Mr. CADY. Yes, sir; and claims on account of rural carriers amounting to \$27,000.

Mr. GILLETT. What is the limit?

Mr. CADY. The limit is \$2,000 for a death benefit, and if an employee is injured and his injury extends for one year he gets full pay, and if it extends beyond that he gets half pay for the succeeding year.

Mr. GILLETT. For two years?

Mr. CADY. Yes.

Mr. GILLETT. What kind of cases are these injuries to the carriers?

Mr. CADY. I could not say as to the character of the injuries.

Mr. GILLETT. Have you a specimen of one of those cases with you?

Mr. CADY. No, sir; I have not a specimen. None of these cases come directly under the chief clerk's office and the letter carriers in the City Delivery Service come under the First Assistant, who would have knowledge of that.

Mr. BARTLETT. All you know is that you have this number of claims and the sources from which they come?

Mr. CADY. Yes, sir.

REWIRING POST OFFICE DEPARTMENT BUILDING.

The CHAIRMAN. "Contingent expenses: For fuel and repairs to heating, lighting, and power plant, including repairs to elevators, purchase and exchange of tools, and electrical supplies, and removal of ashes, \$22,000." You had an appropriation for this purpose of \$44,000, and this is a deficiency of 50 per cent?

Mr. CADY. This item is a special item that really is not to cover anything included within that estimated appropriation. This item is a special item to cover the cost of rewiring the Post Office Department Building. The wiring in there is of a very inferior quality and was so when it was first installed, back in 1899. The wire placed in

the building at that time was very defective and the insulation has become so poor that it is necessary at this time to renew the whole thing.

The CHAIRMAN. Why did you not make that request in your annual estimate?

Mr. CADY. We did not put it in then because we had been expecting to get along without it.

The CHAIRMAN. What happened that resulted in the submission of this item at this time?

Mr. CADY. We have discovered we are not able to extend the proper lighting and proper outlets for labor-saving devices that are installed in the building. The auditor's office for the Post Office Department, which is in this same building, calls for additional outlets to take care of labor-saving devices, tabulating machines, etc., that they are putting in to facilitate their business, and under the present wiring in the building we are not able to do that for them.

The CHAIRMAN. Who prepared this estimate?

Mr. CADY. This estimate was prepared after consultation with the electrician for the Post Office Department, and he has given me a list of the materials which will be necessary to be procured in order to rewire this building and replace the old panel boards at present in the building.

The CHAIRMAN. What are those items?

Mr. CADY. Approximately, 72 new panel boards, costing \$4,000; 24,000 iron boxes, \$200; 22,500 feet of half-inch conduits, \$900; 10,000 lock nuts, \$50; 10,000 bushings, \$100; switches, \$100; approximately 90,000 feet of No. 12 wire; 16,000 of 4-0 wire, \$4,500; 12,000 feet of 2-inch conduit, \$1,728; conduit and wire for power device, \$2,500; labor, which we estimate will take 20 men 20 weeks, and supervision by the contractor, approximately \$7,922, which aggregates \$22,000. Now, we have had an electrical contractor in this city look over this building, and he estimates that it will cost at least \$30,000 for the entire new installation, including panel boards, wire, and conduits, and in addition expresses the opinion that it would cost \$5,000 additional for marble work necessary in order to place the new conduits under the corridor floors; but we think if the conduits now in place are fitted with iron boxes, and such changes as would properly group the circuits, considerable of the old piping could be used, which would allow us to make the installation within the amount requested, \$22,000. If you gentlemen care to see it, I have some of the wiring here, and can show you how bad it is. This is a sample of the original wiring [indicating], and as you see, you can peel it off and break it with your finger. That is the insulation which is bad and allows the wiring to become overheated, and there is great danger of fire down there as a result of it.

Mr. GILLETT. Have you had any fires from that cause?

Mr. CADY. Yes, sir; we have had trouble with it right straight along.

Mr. GILLETT. I say, have you had any fires?

Mr. CADY. Yes, sir; we have had fires, and last year the auditor's—the whole eighth floor—shut down there for a week as the result of a breakdown. We feel we may get along without this money and without the rewiring at this time, but we do not care to take the responsibility for it. If there is a fire or if the plant is shut down

it means that the part of the department affected thereby is closed and the auditor's office will be shut off, and it will mean that the office will be closed indefinitely, because if anything happens to this wiring we can not take advantage of the Potomac Electric Power Co. on the outside because they furnish a voltage of 220 and the department wires there will only take 110, and the result will be we will surely be shut down. If you gentlemen feel you can not give us the money at this time we will have to make the best of it.

Mr. GILLETT. Do they not have instruments to transform their current from that voltage to your voltage?

Mr. CADY. Yes; you can get an instrument, I understand, to transform the current from 220 to 110, but that would not relieve the present situation with regard to the circuits. The circuits there were poorly placed to commence with, and they are overloaded now. We can not put any additional outlets on there. In other words, when need arises for additional outlets to take care of labor-saving devices or lights where they are needed, we can not put them on, and just have to do without them.

Mr. BARTLETT. Do you consider there is imminent danger of fire from the condition of this wiring?

Mr. CADY. Surely there is such a possibility at any time.

Mr. GILLETT. Of course there is always a possibility of fire.

Mr. BARTLETT. Is there a probability?

Mr. CADY. The probabilities of fire are great, not only from the defective wiring, but from these switches. These switches represent the switches used for push buttons to illuminate the chandeliers. As you will note, these switches are not inclosed in boxes, as the modern switches are, and further, the bushings on here [indicating] are entirely out. One of them is broken and one burned entirely out.

Mr. BARTLETT. Is the wiring in such condition that you can not repair it sufficiently to be safe?

Mr. CADY. That is it, exactly. We have repaired it right straight along for the last 10 years. We have been doing that, but we feel it has now reached such a condition—

Mr. BARTLETT (interposing). In other words, when you repair it at one place it is liable for the same reason to be defective in another place, and it continually calls for repairing?

Mr. CADY. Yes, sir; that is it, exactly.

PRINTING AND BINDING.

[See p. 155.]

The CHAIRMAN. For printing and binding for the Post Office Department, exclusive of the money-order office, you had \$290,000, and you are now asking for \$78,665.59.

Mr. CADY. The allotment for printing and binding for the current fiscal year is \$290,000, and during the first six months ended December 31, 1914, there was an estimated charge against this allotment on account of printing and binding of \$242,829.79.

The CHAIRMAN. How could you have had such an estimated charge?

Mr. CADY. That was for requisitions placed with the Public Printer. The work actually completed and billed out by the Government Printing Office on December 31 amounted to but \$142,027.33,

so that the apportionment for the first half of the year was not exceeded. We have had careful estimates prepared by the Division of Supplies and the department's printing clerk, which shows the printing and binding for the Postal Service and the department amounts to \$125,835.80, which must be done during the remaining six months of the fiscal year.

Mr. BARTLETT. How much did you spend for the first six months?

Mr. CADY. \$242,829.79; that is, we incurred liabilities to that amount.

The CHAIRMAN. How do you happen to have so much additional printing this year?

Mr. CADY. I could not answer that question. The additional printing this year has been due to unusual demands made on the chief clerk from the Fourth Assistant's Division of Supplies in order to furnish the Postal Service with the needed forms, and I would prefer that the Fourth Assistant answer that question.

The CHAIRMAN. Is the Fourth Assistant here?

Mr. CADY. He is not here yet, but will be here.

SATURDAY, FEBRUARY 20, 1915.

INLAND TRANSPORTATION BY STEAMBOAT OR OTHER POWER BOAT ROUTES.

STATEMENT OF MR. JOSEPH STEWART, SECOND ASSISTANT POSTMASTER GENERAL.

The CHAIRMAN. For inland transportation by steamboat or other power boat routes, \$18,871. The appropriation was \$1,049,400.

Mr. STEWART. This request for \$18,871 arises from the fact that in letting the contract service in the western section we were not successful in getting the contracts renewed at as low a rate as we expected. The steamboat service on the coast of Alaska is very expensive, and the navigation is hazardous there. There is a limited number of vessels that ply from Seattle and those ports northward. We did the best we could in letting the service, but the amount of business exceeds our estimates by about this much.

The CHAIRMAN. Is it due wholly to the fact that the bids were in excess of what you estimated they would be?

Mr. STEWART. Yes, sir. In this item we are not authorized to allow anything additional for parcel post, as we are in the star service and the wagon service, and therefore all this excess is due to increased amounts in bidding. It differs a little from some other items in that respect.

MAIL MESSENGER SERVICE.

The CHAIRMAN. The appropriation is \$2,000,000, and your estimate was \$1,990,000, and you are now asking for \$123,442.

Mr. STEWART. The items that make that up consist of the following: When we submitted our estimate to the House Committee on Post Offices and Post Roads there was an underestimate on the annual rate, July 1, 1914, of \$108,005.34.

The CHAIRMAN. What do you mean by there was an underestimate?

Mr. STEWART. Our estimate was that much too small for the year

1914; that is to say, we underestimated our actual expenditures for that year by that much, and that was due to the necessity of providing for additional and extraordinary service at railway post-office terminals in cities where we have railway post-office terminals. It was due almost entirely to that item. Then the estimate for increase in actual expenditures for new and additional service for 1915, the present year, was in the neighborhood of \$10,833.29, we now believe, below what the actual expenditures will be. In estimating for mail-messenger service it is very difficult to arrive at the exact amount we will need, because it is a service which is not let for a four-year period.

Mr. GILLETT. What service is that?

Mr. STEWART. It is the service between the post office and the railroad station where the company is not obliged to perform the service. The messenger may relinquish the service on 30 days' notice and we may do the same, and therefore it is subject to readvertisement from time to time.

The CHAIRMAN. This is to carry the mail from the terminal to the post office?

Mr. STEWART. From the post office to the railroad station and from the railroad station to the post office at all the places on railroads over 80 rods from the station.

The CHAIRMAN. Is that all done by contract?

Mr. STEWART. Yes, sir. Congress also appropriated \$5,100 less than our estimate.

The CHAIRMAN. Oh, no; they appropriated \$10,000 more than your estimate.

Mr. STEWART. The appropriation is for \$2,000,000 for 1915, but that, nevertheless, was \$5,100 less than we submitted to the committee.

The CHAIRMAN. No; your estimate was \$1,990,000.

Mr. STEWART. That must have been modified.

The CHAIRMAN. You may have told them you ought to have more, but your formal estimate was in that amount.

Mr. STEWART. That may have been the first estimate that went to the Secretary of the Treasury.

The CHAIRMAN. You never made another estimate.

Mr. STEWART. I beg your pardon. I always revise them before I come before the committee.

The CHAIRMAN. But that is not an estimate under the law.

Mr. STEWART. It is submitted to the Secretary of the Treasury by a special letter. We write special letters up to the time we go before the committee and that goes by special letter from the Secretary of the Treasury to Congress.

Mr. GILLETT. Then it is a supplemental estimate?

Mr. STEWART. Yes. If you will look at my hearings I think you will find that is the case. We do that because this contract is so subject to change that we try to give Congress the very latest information possible.

The CHAIRMAN. What do you say the amount of your estimate was?

Mr. STEWART. \$2,005,100. Now, the difference between our actual estimate and the estimate submitted was \$12.71; the total of this estimate makes \$124,001.34. That is upon one side of the ledger.

Upon the other side, the fines and deductions were underestimated \$559.14. An underestimate on fines and deductions means a plus amount on the other side, so we subtract that from the amount I mentioned, which leaves \$123,442.20 as the probable deficiency, and we are asking in round numbers for \$123,442.

The CHAIRMAN. Is this service all under contract?

Mr. STEWART. Yes, sir.

The CHAIRMAN. And this is the amount required to meet your contract obligations?

Mr. STEWART. That is what we think; yes.

SCREEN OR OTHER WAGON SERVICE.

The CHAIRMAN. For regulation screen or other wagon service, \$44,118. The appropriation was \$2,600,000.

Mr. STEWART. That item is made up as follows: The estimate of the annual rate on July 1, 1914, when we submitted our estimate upon which the appropriation was made, was \$89,833.80 less than it actually turned out to be when we reached that period. The reason for that is largely found in the same item I mentioned for the messenger service—the establishment of railway post-office terminals necessitated considerable service between those terminals and the railroad stations. The item for new and additional service was \$27,250.28 less than we estimate it actually will require to carry on the service. Congress appropriated \$42,000 less than our estimate. This makes a total of \$159,084.08 upon the one side. Upon the other side our estimate for ferriages was \$4,059.22 more than we think we will spend. The fines and deductions were \$39,259.38 under what the deductions will actually be as we figure it now, which places the item in the plus column, we might say. The special appropriation for experimental service for combination screen wagon and city delivery was \$100,000. We will have a surplus in that particular item of \$71,570, and the difference between the estimate of actual expenditure and the figures which we submitted to the committee was \$77.13. This makes a total of \$114,965.73 upon the other side, and the difference between these two totals gives us \$42,118.35 as the probable deficiency. We have submitted our estimate for \$114,118 in round numbers.

FREIGHT OR EXPRESSAGE ON POSTAL CARDS, ETC.

The CHAIRMAN. For freight or expressage on postal cards, stamped envelopes, newspaper wrappers, and empty mail bags, \$97,450. The appropriation was \$510,000.

Mr. STEWART. The reasons for this deficiency are as follows: First, a large increase in the expenditures for this purpose in the fourth contract section, due to the establishment of a considerable number of additional shipping points in that section. We weighed the fourth contract section last spring and the law requires us to take from the mail transportation all the empty equipment and the supplies that can be sent in freightable lots and therefore ship by freight. As a rule most of it had been taken out before, but when we begin a weighing period in a section we look over the field and ascertain where the shipping points will be located, and sometimes it occurs

that we have to have more than we have had established theretofore. This shipping by freight of course saves a large amount of mail transportation. The second reason is that a considerable number of additional freight shipping points will be established in the third contract section which we are now beginning to weigh, beginning on the 18th of this month, and this will add somewhat to the expenditures during the year.

The third reason is found in the order of the Interstate Commerce Commission authorizing railroads to increase freight rates in the territory east of the Mississippi River, based upon bills rendered to December 31. The apparent expenditure for the year will equal \$567,703.34. Adding to this the estimate of 5 per cent increase to cover expenditure at the additional freight shipping points, the normal increase in quantity shipped, \$28,385.16, and 2 per cent to cover the order of the Interstate Commerce Commission, as the whole country is not covered by the effect of that order, makes \$11,354.06. This totals \$607,442.56, and our appropriation is \$510,000, which leaves an apparent deficiency of \$97,442.56.

The CHAIRMAN. How would the establishment of new shipping points increase your expenses?

Mr. STEWART. That adds to the facility for collecting the empty equipment and sending it in by freight. Otherwise it would go in the mail transportation, and we would have no freight charge for it.

The CHAIRMAN. But you would have a transportation charge?

Mr. STEWART. Yes.

The CHAIRMAN. Then while you increase your freight expenditure you mean you reduce the amount of the regular transportation pay?

Mr. STEWART. Yes.

INLAND TRANSPORTATION BY ELECTRIC OR CABLE CARS.

The CHAIRMAN. For inland transportation of mail by electric and cable cars, \$15,888. The appropriation was \$784,000.

Mr. STEWART. The items that make up that are as follows: When we submitted our estimate to the House committee, the estimate for the item of new and additional service was \$21,570.96 less than we believe will be necessary to carry out the year.

Mr. BARTLETT. You say it was less than you believed would be necessary. Why did you submit it?

Mr. STEWART. We submitted that over a year ago.

Mr. BARTLETT. At that time you say it was less than you believed was required?

Mr. STEWART. No; it is less than we now believe our expenditure will be for the year.

Mr. BARTLETT. I beg your pardon.

Mr. STEWART. That is upon the one side. Upon the other side, we overestimated the annual rate on July 1, 1914, by \$1,924.31. On the item of fines and deductions we underestimated that \$3,453.36, and there was a deficiency in the actual estimated expenditure submitted to the House committee of \$304.54. This makes a total of \$5,682.21 on the one side, as against \$21,570.96 on the other side, or a difference of \$15,888.75, an apparent deficiency which we will have to meet, and we submit an estimate for \$15,888.

The CHAIRMAN. This is all contract?

Mr. STEWART. Yes; it is contract, in this sense: The appropriation bill fixes the rate which we can pay for this service and we can not exceed that rate. We do not enter into a formal written contract with these electric car companies. We offer the service and they agree to perform it at the regular statutory rate.

The CHAIRMAN. And the payments depend upon the amount of service?

Mr. STEWART. Yes.

The CHAIRMAN. So that it is uncertain in that respect?

Mr. STEWART. The amount of service is uncertain, but the rate is certain. We can not exceed the rate. It is just like the railroad service in that respect.

SATURDAY, FEBRUARY 20, 1915.

LIMITED INDEMNITY ON LOSS OF DOMESTIC MATTER, 1914.

**STATEMENT OF MR. WILLIAM J. BARROWS, CHIEF CLERK
THIRD ASSISTANT POSTMASTER GENERAL, AND MR. MAL-
COLM KERLIN, SUPERINTENDENT OF DIVISION OF REGIS-
TERED MAIL.**

The CHAIRMAN. "The unexpended balance of the appropriation of \$20,000 'For payment of limited indemnity for the loss of registered articles in the international mails in accordance with convention stipulations' for the fiscal year 1914, is made available for the payment of limited indemnity for the loss of domestic registered, insured, and collect-on-delivery mail during the fiscal year 1914."

How much is unexpended of that appropriation?

Mr. BARROWS. On February 18, \$19,257.03.

The CHAIRMAN. What was the unexpended balance of the \$20,000 for the payment of limited indemnity for the loss of registered articles in the international mails?

Mr. BARROWS. \$19,257.03.

The CHAIRMAN. Is that the total appropriation?

Mr. BARROWS. \$20,000; yes, sir.

The CHAIRMAN. What is the appropriation for the payment of limited indemnity for the loss of domestic registered, insured, and collect-on-delivery mail?

Mr. BARROWS. The appropriation was \$160,000.

The CHAIRMAN. And how much was expended?

Mr. BARROWS. All but \$2,500.01, on February 18.

The CHAIRMAN. What claims are pending?

Mr. BARROWS. We estimate there is about \$10,000 worth of claims, or a little more than that, outstanding yet.

The CHAIRMAN. Why should we give you \$19,000?

Mr. BARROWS. There are considerable claims in the international registered yet to be paid. Those are slower in coming in.

Mr. KERLIN. We do not pay the international claims until the second or third year.

The CHAIRMAN. Then why should we interfere with that appropriation?

Mr. KERLIN. The appropriation of \$20,000 is somewhat large. As a general proposition they expend about \$10,000 out of that appropriation, and in many instances the appropriation lapses before

the claims are paid at all. The claims are sometimes submitted in the third and fourth year.

The CHAIRMAN. If you have a deficit in the other appropriation, why do you not ask for more money for that purpose?

Mr. KERLIN. This is both for lost registered and insured mail.

The CHAIRMAN. But these are two different classes?

Mr. KERLIN. Yes.

The CHAIRMAN. How much do you estimate will be required to meet the obligations on the domestic registered, insured, and collect-on-delivery?

Mr. KERLIN. \$10,000.

The CHAIRMAN. Is that the parcel post?

Mr. KERLIN. Parcel post and registered mail both.

Mr. BARROWS. I might say, Mr. Chairman, we have asked for 1915 an appropriation for international registered mail of but \$15,000, and for 1916 the Third Assistant has only asked for \$10,000.

The CHAIRMAN. This is a matter of adjusting claims and meeting the amounts found due?

Mr. BARROWS. Yes, sir.

LIMITED INDEMNITY FOR LOST DOMESTIC MATTER, 1915.

The CHAIRMAN. "For payment of limited indemnity for the loss of domestic registered, insured, and collect-on-delivery mail, \$60,000." That is for 1915?

Mr. BARROWS. For 1915; yes.

The CHAIRMAN. The appropriation is \$110,000?

Mr. BARROWS. Yes, sir.

The CHAIRMAN. What is the status of that appropriation?

Mr. BARROWS. The unexpended balance on February 16 was \$60,949.87.

The CHAIRMAN. How do you figure you will need \$60,000 more when you have only spent \$50,000?

Mr. BARROWS. Those claims are later. They only began to mature on the 1st of last July, and they are later in maturing.

The CHAIRMAN. You have only been able to spend \$50,000 in seven months.

Mr. KERLIN. Mr. Chairman, on the appropriation for last year which we just left we had \$160,000, and that has proved insufficient. The appropriation for next year, which is pending before Congress, is for \$226,000. It can be readily seen that an appropriation of \$110,000 will not last us.

The CHAIRMAN. That was all you asked for.

Mr. KERLIN. Yes, sir; that is true, but at the time the estimates were made the service was new, and we had not any real figures on which to base it.

The CHAIRMAN. Is this parcel post?

Mr. KERLIN. Yes; we had no real figures on which to base our estimate.

The CHAIRMAN. What claims have you pending?

Mr. KERLIN. We have pending at the present time—it is hard to say. Those claims did not commence to come in until along in October and November, and while it is true we have only spent about \$50,000, yet those claims will continue to come in for a year or

eighteen months. The claims can be presented for lost registered mail one year after date, and for insured and collect-on-delivery mail six months after date of loss, and we will spend nearly as much in the first six months of the next fiscal year as we did in the first six months of the current fiscal year payable out of the same appropriation, and while we have only spent \$50,000, that rate will continue for a year and a half, very nearly.

The CHAIRMAN. Not unless you lose a lot of stuff. If you improve the service the losses will be less.

Mr. KERLIN. The service is improving.

The CHAIRMAN. Then the losses will be less.

Mr. KERLIN. Yes, sir; the losses are less. We have had communications from various large users of insured mail to the effect that the losses are so few that they have decided to discontinue the insurance service.

The CHAIRMAN. \$225,000 does not seem like a trifle.

Mr. KERLIN. I know; but you should consider the number of pieces handled. When you handle about seventeen or eighteen million pieces and the average indemnity paid on a piece is about \$7—we can give you some actual figures on that point if you would like to have them, as to the expenditures and the number of pieces handled showing the approximate profit of the insurance or the C. O. D. business.

The CHAIRMAN. What are they?

Mr. KERLIN. The number of parcels mailed in 1914 at the 5-cent rate was 12,366,084; at the 10-cent rate, 997,375. The total number of pieces sent collect on delivery was 2,994,600, making the total number of insured and C. O. D. parcels 16,358,059. From those pieces the total amount of fees received was \$1,017,501.70. It is estimated that the total amount of indemnity which will be paid from insured and collect-on-delivery mail alone will be \$133,909.37. Outside of the indemnity which is paid on account of the loss of insured and collect-on-delivery there is practically no other expense.

The CHAIRMAN. That is 15 per cent of your receipts?

Mr. KERLIN. Yes. The indemnity paid was \$137,000 plus, which leaves an approximate balance of profit of \$873,592.33 for 1914.

The CHAIRMAN. Is that figure of one million and odd dollars the insurance fee?

Mr. KERLIN. The insurance and collect-on-delivery fee.

The CHAIRMAN. In addition to the carriage fee?

Mr. KERLIN. Yes, sir.

The CHAIRMAN. "The unexpended balance of the appropriation of \$15,000 'for payment of limited indemnity for the loss of registered articles in the international mails in accordance with convention stipulations' for the fiscal year nineteen hundred and fifteen, is made available for the payment of limited indemnity for the loss of domestic registered, insured, and collect-on-delivery mail during the fiscal year nineteen hundred and fifteen."

Mr. KERLIN. I doubt if that combination is made whether \$60,000 will be sufficient to carry us through.

The CHAIRMAN. We are not going to amend your appropriation act.

Mr. KERLIN. It will be necessary for us to come back next fall to ask for a deficiency. We will have to have a deficiency appropriation of \$10,000 for 1914.

The CHAIRMAN. We will face that when the time comes.

Mr. KERLIN. I mean for 1914. We did not estimate for any deficiency in that. We ought to have the \$10,000 for the first item for 1914.

The CHAIRMAN. You only expect to use \$5,000 out of this \$15,000?

Mr. KERLIN. Yes, sir; that is for 1915, but do not pass the 1914 item up, please, unless you give us the \$10,000 to take its place.

The CHAIRMAN. I am talking about 1915. You are asking us now to make available an appropriation for this year for one purpose for another purpose.

Mr. KERLIN. Yes, sir.

The CHAIRMAN. We will not do that.

SATURDAY, FEBRUARY 20, 1915.

WRAPPING TWINE AND TYING DEVICES.

STATEMENTS OF MR. JAMES I. BLAKSLEE, FOURTH ASSISTANT POSTMASTER GENERAL; MR. GEORGE L. WOOD, SUPERINTENDENT OF DIVISION OF RURAL MAILS; AND MR. WILLIAM I. DENNING, SUPERINTENDENT OF DIVISION OF EQUIPMENT.

The CHAIRMAN. For wrapping twine and tying devices, \$50,000. You have had \$225,000. I thought you told us you were saving money on wrapping twine?

Mr. BLAKSLEE. I think we are.

The CHAIRMAN. You do not show it in your appropriation.

Mr. BLAKSLEE. This appropriation will make 64 carloads for this year, as against 84 carloads in 1911, 72 carloads in 1912, and 70 carloads in 1913.

The CHAIRMAN. Why is it that the fewer carloads you get the more money it takes?

Mr. BLAKSLEE. We are paying for twine.

The CHAIRMAN. Why do you not get more and pay less?

Mr. BLAKSLEE. That is what we would like to do.

The CHAIRMAN. How do you figure out you will want \$50,000 additional?

Mr. BLAKSLEE. We will need that much more twine to supply the service between now and the 1st of July.

The CHAIRMAN. How much money have you on hand now?

Mr. BLAKSLEE. We have on hand \$2,958.52.

The CHAIRMAN. How much twine have you on hand?

Mr. BLAKSLEE. We have 17 depositories, and in 7 of them we have enough twine to last until the end of the fiscal year. At the other 10 we need 241,500 pounds.

The CHAIRMAN. How much does that cost?

Mr. BLAKSLEE. That figures about \$31,950.

The CHAIRMAN. Then, why do you want \$50,000?

Mr. BLAKSLEE. Because we will need some twine for July and August and September of next year.

The CHAIRMAN. You mean you will not have any twine to carry over?

Mr. BLAKSLEE. Yes; that will just last us until the 1st of July. Prior to this time we always had over a year's supply on hand.

The CHAIRMAN. How much are you paying for twine now as compared with formerly?

Mr. BLAKSLEE. Thirteen and two-thirds cents for cotton twine.

The CHAIRMAN. How much did you formerly pay?

Mr. BLAKSLEE. Eleven and one-half cents for jute twine, but we get a little more yardage in cotton twine.

Mr. BARTLETT. You pay more for cotton twine than jute twine?

Mr. BLAKSLEE. Yes; but we get almost half as much again more yardage in cotton twine.

Mr. BARTLETT. Do you pay as much for cotton twine now as you did last year?

Mr. BLAKSLEE. Cotton twine is on the same contract we had last year. There has been no change. We have not made a change in the contract since the contract was let last November.

Mr. BARTLETT. Cotton was much cheaper?

Mr. BLAKSLEE. We let a contract in November to last until the next November. We got it at just about the bottom figure, and we were very lucky to get in at that time.

The CHAIRMAN. You introduced some tying devices to take the place of twine, did you not?

Mr. BLAKSLEE. We tried it, and as long as the price of jute or cotton twine or any kind of twine is below 11 cents the tying device could not compete in economy. As soon as the price goes above that then the tying device is worthy of consideration. Of course we are trying out some more tying devices, other types, which are supposed to be cheaper.

The CHAIRMAN. How much twine do you use? You say this will make a total of 64 carloads.

Mr. BLAKSLEE. There are 30,000 pounds in a carload. This will provide 13 additional carloads, or about 309,000 pounds.

The CHAIRMAN. Is the smaller number of carloads due to the fact that this new twine is so much longer; that you get so much more yardage?

Mr. BLAKSLEE. We would possibly have to have more carloads if we were using jute twine instead of cotton twine. I only mention the carloads as a unit of measurement to show how the number of carloads has been reduced.

The CHAIRMAN. Are there different sizes of twine?

Mr. BLAKSLEE. No; we use a certain type of twine; two strands they call it in jute twine, and for cotton twine three-ply, etc., There are no different sizes. It is measured, I believe, by the tensile strength per yard. If it will carry on the end of a yard string a 19 or 20 or 18 pound weight, that is supposed to be the type or the tensile strength of the twine we want to use in the Postal Service. It must not be less than 16 pounds and not more than 22 pounds. You will find that cotton twine runs a great deal more even in its tensile strength than jute twine. One yard of jute twine may not carry 15 or 16 pounds, and a yard of cotton twine usually does that without any trouble.

FACING SLIPS, LABELS, AND BLANK BOOKS.

The CHAIRMAN. "For facing slips, plain and printed, including the furnishing of paper for same; and for card-slide labels, blanks, and books of an urgent nature, \$5,000."

Mr. BLAKSLEE. We had that before you in the urgent deficiency bill.

The CHAIRMAN. You had \$80,000 and your estimate for next year is \$80,000. Why will you want \$85,000 this year?

Mr. BLAKSLEE. I have a note here to the effect that before the close of the last fiscal year it became necessary to cut all requests for facing slips from the Post Office and Railway Mail Service at least 50 per cent, because the appropriation was not sufficient.

The CHAIRMAN. You have had \$10,000 more than last year already, and you have only asked for \$80,000 for next year.

Mr. BLAKSLEE. We think we can get along next year on that amount, and if we can not, you are going to be here again next year.

MAIL BAGS, FASTENERS, ATTACHMENTS, ETC.

The CHAIRMAN. "For mail bags, metal for mail-bag attachments, cord fasteners, label cases, and material necessary for manufacture and repairing of equipment, and for incidental expenses pertaining thereto, \$100,000." You had \$363,000. What is the necessity for this appropriation?

Mr. BLAKSLEE. There is a shortage of mail sacks in the service and has been for a number of years, Mr. Chairman.

The CHAIRMAN. We gave you \$100,000 a year ago to catch up on that matter.

Mr. BLAKSLEE. But you took it off of the general appropriation.

The CHAIRMAN. You told us that was to stock up.

Mr. BLAKSLEE. No; that was in order that we could buy the sacks in time to have them on hand at the rush season at Christmas. We could then have them manufactured in February, March, April, May, and June, and they would be on hand at Christmas instead of getting our appropriation in July and then being unable to purchase enough or manufacture enough to be ready for the rush season.

The CHAIRMAN. Why do you want \$100,000 at this time?

Mr. BLAKSLEE. We think that this is necessary because of the shortage of the stock of sacks. We bought burlap sacks this last Christmas to the extent of nearly \$100,000 in order to provide for the transportation of parcel-post matter, and we have those in stock yet, but we know that next year we will have to do the same thing over again, unless you give us money now to meet the regular mail-sack expense. The purchase of burlap sacks is a temporary proposition and the money used therein is of dubious advisability.

The CHAIRMAN. What is the situation relative to your supply of sacks now?

Mr. BLAKSLEE. We made an inventory of sacks and we have 626,000 more in the service to-day than one year ago. But you want to remember that such an inventory was the first of its kind ever taken in the postal service. We have now duplicated it again this year, and we find that the inventory this year shows 626,000 more

pieces than we had one year ago, but you will realize that this inventory is a new proposition.

The CHAIRMAN. What is your total number?

Mr. BLAKSLEE. We have a trifle over 3,100,000 sacks in the Postal Service.

The CHAIRMAN. What is the life of a mail sack?

Mr. BLAKSLEE. I think about four years, but of course that is dependent entirely upon the use.

The CHAIRMAN. I understand that, and I mean the average life.

Mr. BLAKSLEE. A lot of people use them as they should not be used. We find them stacked away in the Treasury Department with piles of documents, etc., and we have had a racket about those things and have cured that disease quite considerably during the last year and a half; but nevertheless the life of a sack depends entirely upon its use and the average life is about four years, and the method of use now differs from what it used to be because the parcel post is a different proposition from the carriage of ordinary mail. The parcel post consists of all types of materials that were carried by express companies, such as boxes and matter having sharp corners that will cut holes in sacks very easily and very quickly, whereas formerly just ordinary mail matter would not do that.

The CHAIRMAN. Is everything sacked?

Mr. BLAKSLEE. Pretty nearly everything is sacked, Mr. Chairman. There has been a proposition submitted to use hampers in some cases and I have not as yet decided that the hamper is not an advisable thing. In fact, the English Government is cutting them out altogether. They have had the hamper idea for a good many years.

Mr. DENNING. Of course, the hampers would be far more expensive than the sacks.

The CHAIRMAN. You mean the cost?

Mr. DENNING. Yes.

The CHAIRMAN. How about their average life?

Mr. BLAKSLEE. I do not think they would last any longer.

INLAND TRANSPORTATION BY STAR ROUTES, 1914.

The CHAIRMAN. "For inland transportation by star routes, including the same objects specified under this head in the Post-Office appropriation acts for the fiscal years that follow: 1914, \$250,000."

How do you happen to have any deficit in the star route service?

Mr. BLAKSLEE. It is a contract service.

The CHAIRMAN. Are you not prohibited from making contracts in excess of your appropriation?

Mr. WOOD. Not in the star service. The particular deficit in this case, though, arises from the operation of the act which we call on so frequently, the parcel-post act, which authorizes the Postmaster General to readjust the pay of the contractor where it appears that a material increase in the weight of mail has occurred.

The CHAIRMAN. This comes entirely from the readjustment of the pay of the parcel-post contracts?

Mr. WOOD. Yes; under the 50-pound weight limit, when the weight limit was increased from 20 pounds to 50 pounds, January 1, 1914.

A great many of those claims have not been paid, and the appropriation, which aggregates \$7,105,000, is exhausted. As well as we can estimate, and it is a pure estimate, it will take about a quarter of a million dollars. In ten States which we have already adjusted we have incurred a liability of \$150,000 in round numbers. Those are the heavier States, of course. The remaining States will not take anything like that much.

The CHAIRMAN. This \$250,000 is to enable the department, if I understand correctly, to adjust the claims arising out of the authority to increase the compensation by reason of additional burden of the parcel post?

Mr. WOOD. Yes; under the 50-pound weight limit.

INLAND TRANSPORTATION BY STAR ROUTES, 1915.

The CHAIRMAN. For 1915 you are asking \$400,000?

Mr. BLAKSLEE. I do not think we will need that. We will wipe that out.

Mr. WOOD. I think we will perhaps need a small amount, but I would not like to ask for anything now.

The CHAIRMAN. You think you can tell better next year.

Mr. WOOD. Yes.

PRINTING AND BINDING.

[See p. 143.]

The CHAIRMAN. For printing and binding the appropriation is \$290,000 and you are asking for \$78,665.59. Who has that item?

Mr. BLAKSLEE. That is an appropriation under the chief clerk which we distribute.

The CHAIRMAN. You had better explain that item.

Mr. BLAKSLEE. We have a deficit and we have to have supplies to meet the demands of the service.

The CHAIRMAN. But you have got to show how you happen to have a need for nearly 25 per cent more money than was appropriated. The law is very strict about printing.

Mr. BLAKSLEE. It is principally due to the fact that there is a larger consumption of the stationery that is used in the Postal Service.

The CHAIRMAN. For 1915 you asked for \$290,000 and got it, and the next year you asked for \$325,000, and \$290,000 is carried in the pending bill. Including this deficiency, you are asking for \$368,000 for this year, which is more than they have ever spent in the history of the department. Somebody must explain that.

Mr. BLAKSLEE. The explanation is very difficult, for the reason —

The CHAIRMAN (interposing). I know it is difficult; I can see that.

Mr. BARTLETT. An honest confession is good for the soul.

Mr. BLAKSLEE. It may be a confession of the condition of the service, or it may be a confession about our own methods of distribution.

Mr. BARTLETT. We want to give you what you need.

Mr. BLAKSLEE. We know you do, and we know that we have not put away any \$30,000 or \$40,000 in our clothes.

The CHAIRMAN. You have put it into supplies?

Mr. BLAKSLEE. Yes, sir.

The CHAIRMAN. Then why do you want the money if you have the supplies?

Mr. BLAKSLEE. The indications from every avenue of information are that we will need it.

The CHAIRMAN. You have stocked up with a year's supply?

Mr. BLAKSLEE. Not quite that.

The CHAIRMAN. How much, then?

Mr. BLAKSLEE. About enough to last until the 1st of April.

The CHAIRMAN. Of next year?

Mr. BLAKSLEE. Of this year.

The CHAIRMAN. What did you do with the rest of it?

Mr. BLAKSLEE. We used it.

The CHAIRMAN. What did you use it for?

Mr. BARTLETT. That is two-thirds of the time, and according to that you would need only about one-half of this.

Mr. BLAKSLEE. I would make the same reply to that that I made in reference to the twine situation. We could run along on the appropriation we have got to the 1st of July, but there is a period between the 1st of July and the 1st of the next December when you have no money, and unless you have supplies—

The CHAIRMAN (interposing). You will have the money on the 1st of July.

Mr. BLAKSLEE. What I mean is that you would have nothing to provide for the necessities in between the time you get the money and the time you can make contracts.

The CHAIRMAN. If you really need \$78,000 more, there must be some explanation for it.

Mr. BLAKSLEE. I have given you about the only explanation I know of.

Mr. BARTLETT. Do you think that you will have use for this by the 1st of April?

Mr. BLAKSLEE. All the money available for the purchase of stationery will be gone by the 1st of April, as I am informed by the chief clerk's office.

The CHAIRMAN. Somebody must explain this.

Mr. BLAKSLEE. It was used in the distribution of stationery to the service during the past nine months.

The CHAIRMAN. You are not going to have any falling off next year on that account—

Mr. BLAKSLEE (interposing). There will be a stock in the hands of postmasters and in the possession of the various people who are operating the service that has not been in their possession during the last four or five years.

The CHAIRMAN. Then, what is the necessity of putting it there again now?

Mr. BLAKSLEE. Well, in order that the service may be operated as it ought to be.

The CHAIRMAN. You simply adopted a policy by which you put a large quantity of supplies in the possession of these people—a quantity that they never had before and never had any necessity for before.

Mr. BLAKSLEE. That may be possible.

The CHAIRMAN. It is a fact.

Mr. BLAKSLEE. It may be possible. The evidence that there might be a doubt about that would be the additional requisitions for additional supplies as they lay them before us and as they are before us now.

The CHAIRMAN. We found out back in 1912 that you never spent within \$60,000 or \$70,000 of the amount appropriated, and we reduced the appropriation to \$300,000. Then we found some indications of extravagance in the printing for the Post Office Department and cut off \$10,000 in 1913. In 1913 and 1914 you got along with \$290,000, and we gave you \$290,000 for this year. Now, you say that you need \$78,000 more.

Mr. BLAKSLEE. That may be true. You may have discovered that in former years. I am not fully informed about this appropriation, which is handled indirectly through the chief clerk's office, but I have been informed that in times past there have been deficits in the amount of the appropriation extending over a period of five or six years, running as high as thirty-five, thirty-six, and forty thousand dollars.

The CHAIRMAN. You are mistaken about that. We went into that very thoroughly——

Mr. BLAKSLEE. I am also informed that at the end of last year we had pending requisitions amounting to around thirty or forty thousand dollars with the Public Printer, and at the end of that year those requisitions were a hang over on this year's appropriation.

The CHAIRMAN. You could not have used that stuff last year, and therefore could not have paid for it out of last year's appropriation.

Mr. BLAKSLEE. But the requisitions were made, and we would have been glad to have had it.

The CHAIRMAN. It would be only so much surplus stock.

Mr. BLAKSLEE. It would mean that much less money required in this year's appropriation if we had it.

The CHAIRMAN. You did not use that material——

Mr. BLAKSLEE (interposing). There is a good deal of complication about that question of stationery in the Postal Service, and of course I am not familiar with all the details of it and do not profess to be.

Mr. BARTLETT. Who does know all about it?

Mr. BLAKSLEE. Well, it is between the chief clerk and myself, and somebody between the two of us ought to know all about it. The chief clerk says, and I agree with him in part, that the method of distribution of this stock during the past year is responsible for the deficit here placed before you, in that there was a large quantity of supplies sent out to the Postal Service during the first six months of the year; that stationery and other supplies were sent out to the postmasters during the first six months of the year, and they therefor have a stock on hand. That does not, however, signify that the postmaster who does not have a stock on hand is not pressing us for a quantity of stationery right now.

The CHAIRMAN. Why not shift it from the man who has it to the man who has none?

Mr. BLAKSLEE. That would be a very difficult and expensive proposition. Furthermore, I guess you will realize there are some 42,000 new postmasters in the service, and each one of them is ambitious to improve upon the performances of his predecessor. Now, if each one of them should be out of a dollar-or-so's worth of stationery

and other equipment, and should ask for a dollar's worth of stock, you would have forthwith an expense of \$40,000. Under the conditions that prevail in the Postal Service, I do not see why there should not be a deficit.

The CHAIRMAN. Is that all you gentlemen have?

Mr. BLAKSLEE. I want to make a declaration on that stationery proposition so that you will not make any mistake about it. The money that we want available at this time is for the purchase of supplies prior to the 1st of July.

The CHAIRMAN. We can not provide money now with which to take care of next year's supplies.

Mr. BLAKSLEE. We will have no money with which to take care of the first part of next year's supply.

Mr. CADY. Mr. Chairman, I want to make a statement which will perhaps clear up the situation with regard to this deficit. I believe that I can explain it to you so that you will be able to understand it. The deficiency in the printing allotment is undoubtedly due to the new method of distributing supplies to the Postal Service inaugurated by the Fourth Assistant Postmaster General during the latter part of the last fiscal year. Prior to the inauguration of the new scheme the first and second class post offices received their supplies quarterly and the country was divided into sections, so that the requisition periods of the offices of these classes were distributed evenly by months over the entire year, as evidenced by the requisition form that I have here and which I can show you. The third and fourth class post offices were also divided into sections, one section requisitioning for a year's supply in each month of the year. Under this scheme every month in the year a stated number of post offices came in for supplies, and the amount necessary could be estimated for with fair accuracy. It was not necessary to carry a heavy stock on hand in the division of supplies, because the needs could be estimated for sufficiently long in advance to allow the Public Printer plenty of time to do the work.

Under the new plan all third and fourth class post offices were directed to place requisitions in time for a year's supply, to be furnished at one time, on July 1, 1914. All first and second class post offices were directed to ask for a year's supply, beginning July 1, and it was contemplated to furnish them with one quarter's supply on that date. In reality, so far as possible, 40 per cent was furnished the first quarter and 20 per cent thereafter.

As will be seen from the above statement, the Division of Supplies did not find it necessary under the old system to carry a large stock on hand, and, therefore, when it was realized that an immensely increased stock would be required to care for the flood of requisitions coming in around July 1, the Division of Supplies began to make every effort to get from the Public Printer the stock that should have been on hand before this scheme was put into effect. The result was a greatly increased carry-over charge against the printing and binding allotment from the fiscal year ended June 30, 1914. All those requisitions placed prior to the close of the fiscal year had to go over until after the beginning of the next fiscal year. Requisition after requisition was placed by the Division of Supplies and frantic appeals made to the chief clerk of the department to have an immediate delivery by the Public Printer, but even up to the present time a suffi-

cient quantity of forms has not been secured to supply all post offices with the forms requisitioned for. Some post offices have not received any. This is due no doubt to the fact that on account of the flood of requisitions arriving July 1 it was impossible to properly review the same and some post offices received duplicate orders while others did not receive any. The supply of forms in the Division of Supplies is practically exhausted and the deficiency appropriation asked for is necessary, not only to supply forms to those offices that have not received any during this year, but to get on hand from the Public Printer a sufficient quantity of stock to fill the requisitions from those offices that did receive a supply of stock on July 1, last, which supply will be exhausted on July 1 next.

Further, the old system has been reverted to by the Fourth Assistant, and in order to get the scheme in operation it will be necessary to figure out the varying quantities of supplies necessary to be furnished the respective classes and divisions of post offices in order to carry them back to their former requisitioning periods. In other words, some post offices must receive a year's supply at one time, some 11 months, some 10 months, some 9 months, some 8 months, and so on. The quantity of forms on hand will certainly not permit this unless the deficiency is provided, and in that event, the service would be without forms and some post offices would be closed.

The CHAIRMAN. Some of those post offices have a year's supply on hand now?

Mr. CADY. Yes, sir; some of them have a year's supply on hand.

The CHAIRMAN. And this would enable you at the beginning of each month to give a year's supply?

Mr. CADY. Not necessarily a year's supply, but we will have to have a sufficient quantity on hand to give post offices of the first and second class a quarter's supply when they want it, and post offices of the third and fourth class a year's supply.

The CHAIRMAN. How many have a year's supply now?

Mr. CADY. I can not tell you. Some have not any on hand, and we will have to have money to furnish them. The balance in the appropriation at this time is only \$9,000 for the whole Post Office Department and the whole Postal Service, so we will have to have this money.

The CHAIRMAN. You have supplies scattered all over the country?

Mr. CADY. They are scattered all over the country and will be used some time, but there is no possible method now of gathering them in and redistributing them to the offices that need them.

The CHAIRMAN. Why can't you do that?

Mr. CADY. That would be practically impossible. They are scattered all over the country, and I do not know who has them. The office of the Fourth Assistant may know. I know that this appropriation comes under the chief clerk's department, and they have got to have the money before July 1.

The CHAIRMAN. You might stock these offices up with supplies so that they would be embarrassed for want of room in which to conduct the postal business.

SATURDAY, FEBRUARY 20, 1915.

DEPARTMENT OF COMMERCE.

LIGHTHOUSE SERVICE—PAY OF OFFICERS AND CREWS OF VESSELS.

STATEMENT OF MR. GEORGE R. PUTNAM, COMMISSIONER.

The CHAIRMAN. Your item is as follows:

The sum of \$10,000, or so much thereof as may be necessary, of the unexpended balance of the appropriation of \$940,000 made by the sundry civil appropriation act for the fiscal year nineteen hundred and fifteen, "For salaries of not exceeding one thousand eight hundred lighthouse and fog-signal keepers and laborers attending other lights exclusive of post lights," is made available for paying the salaries and wages of officers and crews of light vessels and lighthouse tenders, including temporary employment where necessary, for the balance of the fiscal year nineteen hundred and fifteen.

This is a proposition to transfer one appropriation made for a specific purpose for this year to another purpose?

Mr. PUTNAM. Yes, sir.

The CHAIRMAN. We will not do that. If you have a deficit in any branch of the service, ask for it; but we will not do this.

Mr. PUTNAM. We have a probable deficit of \$10,000 in the appropriation for salaries for lighthouse vessels.

The CHAIRMAN. How do you figure that out?

Mr. BARTLETT. How much deficit did you say you had?

Mr. PUTNAM. About \$10,000. The appropriation for this year was \$997,600 and the estimate was \$1,038,000. That is, the estimate for this fiscal year.

The CHAIRMAN. How do you figure out the deficit? What was the appropriation for the last fiscal year?

Mr. PUTNAM. The appropriation for the fiscal year 1914 was \$967,420.

The CHAIRMAN. How do you come to have a deficit this year?

Mr. PUTNAM. The deficit comes from our figuring a little too closely on this appropriation. We have usually estimated that there would be lapses, about 3 per cent due to vessels being laid up and to vacancies in crews and vacancies in officers, and it is partly due to business conditions, which have been such that we have had less trouble in keeping our crews at full strength. It is also due to the fact that we have not had vessels laid up to such an extent that we could discharge crews. Therefore, we have had very small lapses in the matter of salaries.

The CHAIRMAN. Did you increase some compensations this year?

Mr. PUTNAM. There has been some increase of pay to crews.

The CHAIRMAN. You can not create a deficiency on that account.

Mr. PUTNAM. The deficiency is not primarily due to any such increase of compensation. It is due to the fact that we did figure too closely on the appropriation.

The CHAIRMAN. If you had gotten \$1,038,000, as estimated, you would have had more than you wanted.

Mr. PUTNAM. We expected to make further increases, if the committee had approved them. We did not make all of the increases that the Secretary desired.

The CHAIRMAN. Eliminating the increased compensations, what would the deficiency be?

Mr. PUTNAM. Some of the increases were made on account of the difficulty experienced in keeping seamen on the vessels, as was explained by Secretary Redfield.

The CHAIRMAN. You can not create deficiencies in that way.

Mr. PUTNAM. We had no intention of doing so.

The CHAIRMAN. You have no deficiency here.

Mr. PUTNAM. We felt that we were safe in doing what was done, but on account of other conditions the appropriation is not sufficient. From the requisitions made by the different lighthouse districts, it appears that there will be a deficiency of about \$10,000 at the end of the year.

The CHAIRMAN. Suppose you do not get the appropriation?

Mr. PUTNAM. Then we will have to lay off some vessels in the service. The estimate was put in the form in which it appears here simply because we feel certain of having a surplus of at least this amount in the other item of appropriation, and we thought that by making this transfer we would avoid the necessity of adding anything to the bill.

The CHAIRMAN. How much do the increased compensations amount to?

Mr. PUTNAM. The increased compensations amount to about \$15,000.

The CHAIRMAN. That gives you the deficiency?

Mr. PUTNAM. Of course that is one of the reasons for the deficiency, but we would not have made those increases if we had thought there would be any deficiency.

The CHAIRMAN. You will have to adjust your service to meet this situation.

• SATURDAY, FEBRUARY 20, 1915.

STEAMBOAT-INSPECTION SERVICE—CONTINGENT EXPENSES, TRAVELING EXPENSES.

STATEMENT OF MR. GEORGE UHLER, SUPERVISING INSPECTOR GENERAL, AND MR. GEORGE JOHANNES, DISBURSING CLERK DEPARTMENT OF COMMERCE.

The CHAIRMAN. Your item is as follows:

For contingent expenses, including the same objects specified under this year in the legislative, executive, and judicial appropriation act for the fiscal year 1915, \$10,000.

Your current appropriation for this purpose is \$80,000, and you are asking for a deficiency of \$10,000.

Mr. UHLER. We asked for \$90,000.

The CHAIRMAN. You asked for \$82,500.

Mr. UHLER. The bureau asked for \$90,000.

The CHAIRMAN. The estimate for contingent expenses was \$82,500.

Mr. UHLER. Yes, sir; that is the appropriation, or, at least, that was the estimate, and Congress allowed \$80,000. Now, our contingent expenses for 1914, Mr. Chairman, were between \$86,000 and \$87,000.

The CHAIRMAN. They amounted to \$82,855.61.

Mr. UHLER. How is that?

Mr. BARTLETT. The note under the item states that the expenditures under this head in 1914 were \$82,855.61.

Mr. UHLER. I do not know about that, and I am subject to correction there, but the statement I have here shows between \$86,000 and \$87,000.

The CHAIRMAN. You ought to know how much it is. The statement furnished us by the service shows an expenditure of \$82,855.61. That is information furnished this committee by your service.

Mr. UHLER. It seems to be so. I am sorry for that, because the chief clerk has given me a statement of the contingent expenses for the fiscal year 1914 showing an expenditure of between \$86,000 and \$87,000.

The CHAIRMAN. Have you the items there?

Mr. UHLER. No, sir; I have not an itemized statement.

The CHAIRMAN. We have the items here as they were furnished to us.

Mr. UHLER. Yes, sir.

The CHAIRMAN. Is it out of this appropriation that you pay mileage?

Mr. UHLER. Yes, sir; but we pay now only the actual expenses.

The CHAIRMAN. You thought you would save \$15,000 by that change?

Mr. UHLER. We thought we would save more than that.

The CHAIRMAN. But it will be more expensive?

Mr. UHLER. It will be quite as expensive.

The CHAIRMAN. We were assured that it would save about \$15,000. I may be incorrect in my statement of the amount, but I know that the statement was made that the change of the law would result in a saving, and we made the change upon that representation.

Mr. UHLER. We rather did expect to save by that.

The CHAIRMAN. That statement was made, and there was no question but that it would be saved. The information given us was positive on that point, and now you are asking for \$8,500 on account of increased traveling expenses.

Mr. UHLER. Not traveling expenses alone, but the contingent expenses.

The CHAIRMAN. On account of increased traveling expenses you are asking for \$8,500 more than you had in 1914.

Mr. UHLER. On account of traveling expenses alone?

The CHAIRMAN. I am reading from the statement furnished this committee by the Department of Commerce.

Mr. UHLER. The expenditures for traveling expenses in 1914 were \$62,719.81.

The CHAIRMAN. And you expect to expend \$8,500 more this year. You want to spend \$8,500 more after that change was made in the law by which you were going to save \$15,000. Instead of saving \$15,000 you are now spending \$8,500 more than you did in 1914. That makes a difference of \$23,000 against you.

Mr. UHLER. It would be \$23,000 against us?

The CHAIRMAN. Yes; you can not expect us to give you that much additional—

Mr. UHLER (interposing). We do not; there is something irregular in that information—there must be, because, if I may suggest it, we

used in 1914, from February 1 to June 30, \$46,000 of that appropriation, and we have used from July 1 to February 1, 1915, \$41,000. Now, if that continues the same as we had last year, we are going to have \$46,000 or \$47,000, which will bring the total for the year up to \$86,000 or \$87,000. It is going to bring the total up to \$86,000.

The CHAIRMAN. The information transmitted to Congress with this estimate, under date of February 15, is that you had expended out of this appropriation the sum of \$82,855.61. That is the information your department sends to Congress, and you are asking \$10,000 additional because you expect to spend \$8,500 more for traveling expenses this year than you spent last year, and you do that notwithstanding the fact that we changed the law because you claimed that there would be a positive saving of \$10,000 or \$15,000.

Mr. UHLER. There is another thing that I want to bring to your attention. We acknowledge, perhaps, that we made a mistake in the department—

The CHAIRMAN (interposing). We do not assume that you made any mistake in the estimate. This is information that you have furnished us upon which to base our action.

Mr. UHLER. I understand that.

The CHAIRMAN. I suppose these figures are taken from the books?

Mr. UHLER. But probably there may have been a mistake in the calculation. I will have to acknowledge that I may be wrong about that, but there is another factor that enters into this, and that is our Los Angeles board. The expenses last year for the Los Angeles board were paid from an appropriation of \$8,000 that was given us for the organization of the Los Angeles board, and everything—the salaries of inspectors and clerks and the traveling expenses—was taken from the definite appropriation of \$8,000 for that board. That was for that year, but we have not got that appropriation this year, and we have to pay the traveling expenses and contingent expenses of the Los Angeles board from our appropriation of \$80,000.

Mr. JOHANNES. Mr. Chairman, there was one situation in connection with these traveling expenses that we could not control, and that was the general increase of passenger rates. We put most of the steamboat inspectors on a 2 cent mileage—that is, when they traveled and were compelled to pay mileage—but soon after we did that the eastern roads raised their mileage to 2½ cents—

Mr. GILLET (interposing). When was that raise made?

Mr. JOHANNES. It was made about the 1st of December, was it not?

Mr. UHLER. Before that, I think.

Mr. GILLET. That would not make up the difference you have here.

Mr. JOHANNES. It makes this difference, because these men do a lot of traveling.

The CHAIRMAN. That would make a difference of only one-fourth of a cent per mile. In the hearing on the subject of traveling expenses of steamboat inspectors, the following statement was made:

Secretary REDFIELD. We invite the committee, if they think well of it, to make a change in the method of the traveling of the steamboat inspectors. We feel that we are spending \$15,000 of unnecessary money, and that the method of compensating the traveling of the steamboat inspectors should be changed from mileage, as it now is, to actual expenses, and by so doing an economy of \$15,000 per annum can be effected.

The CHAIRMAN. Under the law at present the steamboat inspectors are paid on the basis of mileage, 5 cents a mile?

Secretary REDFIELD. Yes, sir.

The CHAIRMAN. And you estimate a saving of how much?

Secretary REDFIELD. A saving of \$15,000 a year.

Now, the difference between 2 cents and 2½ cents will not account for this additional expenditure, instead of the proposed saving of \$15,000. Instead of making a saving of \$15,000 you are asking for \$8,500 more.

Mr. JOHANNES. You will remember that the appropriation for contingent expenses used to be \$100,000 a year and now it is only \$80,000 a year.

The CHAIRMAN. According to this statement there is an increase of \$8,500 in traveling expenses.

Mr. JOHANNES. We can not control the increase of passenger rates.

The CHAIRMAN. But that does not explain it. You were paying the men 5 cents per mile and you cut them to 2½ cents—

Mr. JOHANNES. No, sir; that 5 cents per mile included meals.

Mr. UHLER. When we paid 5 cents per mile, that included everything. They got nothing else except the bare mileage. They got no subsistence, and they got no money for anything in the way of traveling expenses except that 5 cents per mile. That is all they got. If they rode on a sleeping car they had to pay for it out of that 5 cents per mile, and they had to pay for their meals. That 5 cents per mile had to pay everything, the hotel accommodations and everything else. Let me tell you this—

The CHAIRMAN (interposing). I know this, that the department made the representation to us here that a saving of \$15,000 could be made by this change, but instead of having a saving of \$15,000 you now say that you require \$8,500 more than you spent before. If you can reconcile that statement by any explanation, we will be glad to have it.

Mr. UHLER. I shall make no attempt to reconcile that statement at all. We made a mistake in the estimated saving.

The CHAIRMAN. Then you ask \$500 additional for instruments and repairs—why do you need that? Why do you want \$500 more for instruments and repairs to instruments than you had in 1914?

Mr. UHLER. I will tell you—the instruments are wearing out and we have to use more of them.

The CHAIRMAN. What instruments are these?

Mr. UHLER. They are the instruments that are used in the inspection of vessels—gauges, calipers, etc. This includes everything that goes to make up materials, tools, etc., for the inspection of vessels.

The CHAIRMAN. You spent for this purpose in 1914, \$678.85. Why is it necessary to spend \$1,178.85 for that purpose this year?

Mr. UHLER. Because we will need more tools than we have had before.

The CHAIRMAN. Why?

Mr. UHLER. Because the old ones are wearing out and are getting beyond repair.

The CHAIRMAN. You buy some every year, do you not?

Mr. UHLER. Very few. We have been very careful about buying a great deal of stuff lately.

The CHAIRMAN. You expended \$536.84 for furniture in 1914, and now you want \$500 more?

Mr. UHLER. Yes, sir.

The CHAIRMAN. Why is that?

Mr. UHLER. The only thing I can say is that we are expecting to purchase new gauges and to purchase new tools—

The CHAIRMAN (interposing). I am asking you about the furniture. Where do you need \$500 worth of furniture between now and the 1st of July?

Mr. UHLER. In the 46 different offices. We need about \$10 or \$12 for furniture in each of our 46 offices.

The CHAIRMAN. You ask \$500 for furniture and you must have had some information upon which to base the request. We want that information if you have it.

Mr. UHLER. I have not got it with me.

The CHAIRMAN. What are the miscellaneous items for which you want \$500?

Mr. UHLER. We will have to furnish a statement of that.

The CHAIRMAN. All right; but we have got to conclude our hearings on this bill to-day.

SATURDAY, FEBRUARY 20, 1915.

PRINTING THIRTEENTH CENSUS REPORTS.

STATEMENT OF MR. W. L. AUSTIN, CHIEF CLERK, BUREAU OF THE CENSUS.

Mr. AUSTIN. Mr. Chairman, in the sundry civil bill of last year, in making appropriation for publications for the Department of Commerce it was specifically stated that none of that money could be used for making reprints of the Thirteenth Census publications. Now, that is a provision that we want to get around. We are not asking for any money.

The CHAIRMAN. You want to correct it?

Mr. AUSTIN. Yes, sir. We are not asking for a cent of money, because we have plenty of money in our allotment for printing to make the reprints. We have a heavy demand for these publications, and they have been exhausted.

Mr. GILLET. What publications are those?

Mr. AUSTIN. The Thirteenth Census Reports, including the volumes on Population, Agriculture, Manufacture, Mines and Mining, etc. We have not distributed them indiscriminately, but we have distributed them to colleges, libraries, large newspapers, and business houses, where the information could be used to the best advantage. At this time we can not send out any complete sets because a number of the volumes have been exhausted. We have the money left in our printing allotment and all we want is permission or authorization given us so that we can use the money in our present printing fund to make these reprints of the Thirteenth Census Reports.

The CHAIRMAN. Is it desired to print old volumes?

Mr. AUSTIN. It is to fill out sets, so that we can comply with the demands made on us.

The CHAIRMAN. Those reports are sold by the Superintendent of Documents, are they not?

Mr. AUSTIN. They are sold by the Superintendent of Documents, but I do not know to what extent.

The CHAIRMAN. Are they sold or do they distribute them free?

Mr. AUSTIN. The Superintendent of Documents handles a number of these volumes, but I do not know whether he handles any complete sets or not.

The CHAIRMAN. Are those volumes you have mentioned the ones for which demand is principally made?

Mr. AUSTIN. Yes, sir.

The CHAIRMAN. How many volumes do you estimate that you will be required to print?

Mr. AUSTIN. We have not been able to send out any complete sets to colleges or libraries in the last four months, and the demands average a little over 300 a month. We have many requests on file now.

The CHAIRMAN. How many volumes were printed of these reports originally?

Mr. AUSTIN. The original number of each volume was 5,000.

Mr. GILLETT. Do you mean that the more popular volumes have been sent out and that your supply of them has been exhausted?

Mr. AUSTIN. We have tried to keep our sets together as near as we could, but when a Member of Congress asks for a specific volume on manufactures, population, or something of that kind, we give it to him; or if he asks for one volume for a constituent we mail it out that way. Some newspapers have asked for volumes in that way, but the colleges and libraries want complete sets.

Mr. GILLETT. And consequently you have no full sets now?

Mr. AUSTIN. No, sir.

The CHAIRMAN. You have money enough to make the reprints?

Mr. AUSTIN. We have enough money in our allotment for printing given by the Department of Commerce, and we do not want any money—not one cent.

Mr. GILLETT. Did you know what number you would require for these colleges and libraries?

Mr. AUSTIN. No, sir; that was only an estimate. We did not have money enough to print a sufficient number of complete sets to supply the libraries and colleges of the country, regardless of the business houses and newspapers and private parties.

Mr. GILLETT. You did not have enough originally?

Mr. AUSTIN. No, sir; we did not; 5,000 copies of the complete set would not supply the country at all.

Mr. GILLETT. Then how did you expect to do it originally?

Mr. AUSTIN. We expected to use that as far as we possibly could.

Mr. GILLETT. But you knew at the beginning that you could not do what you are asking to do now.

Mr. JOHANNES. This prohibition in the sundry civil bill was not in existence then. That is something new.

Mr. GILLETT. But you did not begin to act on it until the law was passed. In other words, when you began to distribute the publications you knew what you were up against?

Mr. JOHANNES. Yes, sir; we were up against that law, and we could not use the appropriation for reprints.

Mr. AUSTIN. We have been very careful about the distribution for that reason, and we have tried to send out these complete sets where they would do the most possible good.

The CHAIRMAN. Did you say that the requests for these publications ran at the rate of about 300 per month?

Mr. AUSTIN. Yes, sir; for the last four months.

The CHAIRMAN. For complete sets?

Mr. AUSTIN. They would average about 300 per month for the last four months.

The CHAIRMAN. Are those requests for complete sets?

Mr. AUSTIN. Yes, sir; for complete sets principally, but there are some requests for specific volumes.

The CHAIRMAN. When were these publications first available for distribution?

Mr. AUSTIN. In 1913.

The CHAIRMAN. And you have that many demands now?

Mr. AUSTIN. Yes, sir.

Mr. GILLETT. Has anything been done to stimulate that demand?

Mr. AUSTIN. Nothing further than what the newspapers of the country have done in the way of advertising it.

Mr. GILLETT. Have you furnished them with any material for advertising these publications?

Mr. AUSTIN. We have not. The libraries have probably advertised them further even than the newspapers have, because we have tried to supply the public libraries, and especially the college libraries.

Mr. GILLETT. How have they advertised it?

Mr. AUSTIN. Well, people coming in the library looking for information find the complete census set there, and other libraries, newspapers, or business houses find out that they contain information that they want, and they then write us for complete sets. We are not asking for a cent of money, but simply for an authorization to spend something that we have, in order that we may supply this demand.

The CHAIRMAN. That is the appropriation for the current fiscal year?

Mr. AUSTIN. Yes, sir.

SATURDAY, FEBRUARY 20, 1915.

DEPARTMENT OF LABOR.

STATEMENT OF MR. ROBERT WATSON, CHIEF CLERK, AND MR. SAMUEL J. GOMPERS, CHIEF DIVISION OF PUBLICATIONS AND SUPPLIES.

CONTINGENT EXPENSES.

The CHAIRMAN. Your item is as follows:

For contingent and miscellaneous expenses, including the same objects specified under this head in the legislative, executive, and judicial appropriation act for the fiscal year 1915, \$5,000.

The current appropriation is \$49,500. What is the necessity for this deficiency of \$5,000?

Mr. WATSON. Due to unforeseen expenses incident to moving and equipping the added personnel of the Children's Bureau with furniture we are now confronted with this deficit.

The CHAIRMAN. When was that moving done?

Mr. WATSON. In July. We moved from the Willard Building on Fourteenth Street.

The CHAIRMAN. How much did it cost you to move?

Mr. WATSON. For moving and necessary repairs up there the expense was about \$3,000.

The CHAIRMAN. Did you have to put up shades there, or what repairs did you make?

Mr. WATSON. We had to make some interior alterations in the way of partitions, and we had to do some calcimining and some other incidental work.

The CHAIRMAN. And all those things cost \$3,000?

Mr. WATSON. They aggregated about \$3,000.

The CHAIRMAN. What other element enters into it?

Mr. WATSON. Furniture for the Children's Bureau. You will recall that the personnel there was increased from 15 to 76.

The CHAIRMAN. I think we discussed with you at one time the moving expense of the Census Bureau, which was about \$1,500.

Mr. WATSON. Yes, sir; but they had their own wagons.

The CHAIRMAN. You had to make a contract with outside parties?

Mr. WATSON. I got several alternate bids; they to furnish the wagons for one way, and the other way by making a contract for the entire job, and I am confident now that we could not have made a cheaper arrangement than we made.

The CHAIRMAN. I think we discussed that when you were here. You stated that the Department of Commerce had some trucks and wagons and that they moved themselves.

Mr. WATSON. They had a number of wagons and trucks, but we had nothing of the kind.

The CHAIRMAN. You say that you have had to purchase furniture because of an increase of the personnel of the Children's Bureau. What did you pay for the furniture?

Mr. WATSON. We had to buy a larger number of desks, chairs, filing cases, etc.

The CHAIRMAN. And that accounts for how much of the deficiency?

Mr. WATSON. That accounts for \$1,000 of it. Then we are at the present time confronted with an expense that could not have been anticipated of something like \$1,800 for the purchase of envelopes for use in this employment or distribution of labor scheme. We are circularizing the postmasters and various other officials throughout the country and are sending out thousands of blanks. Of course that means that we have got to buy thousands of envelopes that we did not anticipate buying in the early part of the year. That expense will amount to about \$1,800.

The CHAIRMAN. Is that paid out of contingent expenses?

Mr. WATSON. Yes, sir.

The CHAIRMAN. Do those three matters account for the deficiency?

Mr. WATSON. That would be considerably in excess of \$5,000, but we are asking for only \$5,000.

HOUSE OF REPRESENTATIVES.

CONTINGENT FUND, MISCELLANEOUS ITEMS.

MONDAY, FEBRUARY 22, 1915.

STATEMENT OF MR. JERRY SOUTH, CHIEF CLERK.

1912.

The CHAIRMAN. "For miscellaneous items and expenses of special and select committees, exclusive of salaries and labor, unless specifically ordered by the House of Representatives, for the fiscal years that follow: For 1912, \$431.54."

Mr. SOUTH. That is for some old telegraph bills that have been approved. We have exhausted all our 1912 money.

The CHAIRMAN. Is that entirely for telegraph bills?

Mr. SOUTH. I believe so.

1911.

The CHAIRMAN. For 1911, \$99.87.

Mr. SOUTH. That is the same thing.

The CHAIRMAN. Is that all you have?

1915.

Mr. SOUTH. We want about \$40,000 or \$50,000 for the contingent fund.

The CHAIRMAN. You will have to submit a statement as to that.

Mr. SOUTH. Can I not make it orally?

The CHAIRMAN. Yes. You say you will want \$40,000?

Mr. SOUTH. If we do not have any deaths in the membership of the House that will last us. The deaths have been running at the rate of about eight a year and this is to run us for five months. We also have a pay-roll that has been fixed by special resolution amounting to about \$2,800 a month. The last one amounted to about \$2,776.83.

Mr. BARTLETT. Can you give us a copy of that pay roll?

Mr. SOUTH. Yes; I will make one.

The CHAIRMAN. That means \$33,600 a year?

Mr. SOUTH. Yes; but I only need it for five months. Then if you are going to pick up these special employees like Mr. Watkins and the six laborers in the Clerk's office, in your annual bill, we will need an appropriation for that. Mr. Courts tells me that the comptroller has decided that all these session appropriations will cease with the end of this session, if you do not pick up those men, and that amounts to \$735 a month.

The CHAIRMAN. Who are they?

Mr. SOUTH. Four janitors and two laborers in the Clerk's office, one telephone operator provided recently by resolution as an annual employee, and Mr. Watkins at \$4,000 a year.

The CHAIRMAN. We have those items before us.

Mr. SOUTH. That will mean adding to this contingent fund.

We owe \$1,200 more for Mr. Merritt's funeral—for the train. That bill is before me now, but I have not yet paid it. We will owe \$4,000 for five months' telephone service, \$800 a month; \$1,000 a month for laundry, ice, and what we call the storeroom expense for ordinary supplies.

The CHAIRMAN. Will you want that when Congress is not in session?

Mr. SOUTH. Very largely. It does not slacken up much during a recess. The laundry work will slacken up somewhat, but there are a number of people who will stay here, and they will require linen in just the same way.

The CHAIRMAN. What people?

Mr. SOUTH. The clerks.

The CHAIRMAN. Very few of them will be here after Congress adjourns.

Mr. SOUTH. I have never had any experience with one of these long recesses and I do not know.

The CHAIRMAN. All these floors will be deserted then.

Mr. SOUTH. You might cut that, then, to \$500.

The CHAIRMAN. What do you pay now, about \$1,000?

Mr. SOUTH. Yes.

The CHAIRMAN. Then, you will not want more than \$100.

Mr. SOUTH. I do not think we can get along with that. For telegraph bills we will need \$20,000 for nine months. We are three months behind on them now.

The CHAIRMAN. Can you not give us a statement, first, of what you have spent and then what you will need?

Mr. SOUTH. I am putting that on an average basis. The telegraph bills have been about \$25,000 a year. One year they were \$26,000 and another year \$28,000, and they have been at the rate of about \$2,200 or \$2,300 a month.

The CHAIRMAN. How much money have you now to your credit?

Mr. SOUTH. \$75,000.

The CHAIRMAN. How much have you spent?

Mr. SOUTH. \$68,000.

The CHAIRMAN. We will have to have a statement as to how that was spent.

Mr. SOUTH. Such a statement would cover about a hundred pages, because it is cut up into items anywhere from \$1 to pay witnesses' fees on up.

The CHAIRMAN. Do you not classify them in a general way?

Mr. SOUTH. No; we do not keep any separate accounts and never have. It is all put in under the miscellaneous roll and whatever is payable out of that fund, and approved by the Committee on Accounts, we treat as one mass and one class.

The CHAIRMAN. Then you have about \$7,500 left?

Mr. SOUTH. \$8,000. Out of that \$8,000 I have to meet two pay rolls of \$2,800 each. I will have to meet the February and March pay rolls out of that, which is pretty nearly \$6,000, which has to go for this special roll alone already authorized to be paid, and that will leave me about \$2,000.

The CHAIRMAN. Then you will have \$8,400 for April, May, and June, and \$1,200 for Mr. Merritt's funeral expenses?

Mr. SOUTH. Yes; and \$20,000 for telegraph bills.

The CHAIRMAN. Have you not paid any of those yet?

Mr. SOUTH. We have paid three months of this year. We had quite a number of them for years back and we paid those out of last year's fund. In addition, as I said, the storeroom expense is \$500 a month, which is a low estimate even though the House is not in session, and that we will have to meet for five months. There will be two months at \$2,000 and three months at \$1,500, which will be \$3,500. For telephones we will have two full months at \$1,600 a month, and I can cut that about \$100 a month after that.

Mr. BARTLETT. That is, \$3,700 instead of \$4,000?

Mr. SOUTH. Yes, sir. I think I can cut out enough trunk lines to amount to nearly \$100 a month; but if a man were not here but one day between now and December, if the telephone was not at his service on that day he would raise more thunder than you ever heard about.

LABORERS AND JANITORS.

The CHAIRMAN. You are asking us to continue four laborers and two janitors.

Mr. SOUTH. Yes; and one telephone operator.

The CHAIRMAN. Where are the laborers and janitors employed?

Mr. SOUTH. The laborers and janitors are distributed, one in our immediate office, another one in the clerk's document room over in the House Office Building, one is in the top floor here, and has charge of those rooms where the House library is on the gallery floor, and the file room and the journal clerk's office; another one is in the petition room.

The CHAIRMAN. What is that?

Mr. SOUTH. That is the room where we distribute the petitions and bills to the various committees.

Mr. GILLET. Are these new places?

Mr. SOUTH. Yes, sir; created during this present Congress. There was a resolution adopted eight or nine months ago, in the other session.

Mr. GILLET. Providing for these places?

Mr. SOUTH. Yes; four laborers and two janitors on the clerks' roll; also the telephone operator, and a lady for the new toilet room who gets \$800 a year. It is designed to leave the toilet room in Statuary Hall open for the whole year. The one on the gallery floor is not kept open throughout the year, but there are so many visitors here and such few places for a lady to go that it was thought advisable to leave the one in Statuary Hall open.

The CHAIRMAN. Where are those janitors used?

Mr. SOUTH. The ones I mentioned to you are in our office.

The CHAIRMAN. I thought you were talking about the laborers.

Mr. SOUTH. I think I named five; one in our office, one in the document room, one on the House floor, one in the petition room, and one in the stationery room, House Office Building, a laborer, and I forget where the other one is used; but they are distributed as laborers in the various places they are needed. Every one of them is needed, and we ought to have one or two more. You know they cut the clerks' roll by 36 members under the reduction scheme, and these

are the only 6 we have had added since then. They took 36 people off the roll and gave us these 6 laborers at \$60 a month.

Mr. GILLETT. You mean three years ago?

Mr. SOUTH. About four years ago, under the Palmer resolution. We had 76 men on the roll then and we now have 45.

Mr. BARTLETT. How many doorkeepers have you on the roll?

Mr. SOUTH. I do not know; but a lot of them. However, that was shortened, I think, somewhat. They cut out 41 per cent of our force.

Mr. GILLETT. They said then that they left you all the employees you needed?

Mr. SOUTH. They did as to the clerical force, but they cut off too many janitors and laborers, and that was why we asked for them. We could not keep the rooms clean.

Mr. GILLETT. What rooms do you have to keep clean?

Mr. SOUTH. The Clerk's office downstairs, the disbursing office, the enrolling room, the petition room, and these rooms up here. The Clerk's office has at least 15 rooms alone for the Clerk's force, and the enrolling room and the petition room.

Mr. GILLETT. And you have to keep them clean?

Mr. SOUTH. We keep them clean with this force.

Mr. Sisson. That gives each janitor three rooms?

Mr. SOUTH. More than that. We have in addition the Clerk's document room and stationery room. We use one of these laborers to wheel stationery from the stationery room to your doors.

Mr. Sisson. And those are the only janitors under the Clerk's office?

Mr. SOUTH. Yes.

Mr. BARTLETT. The items you have mentioned do not amount to \$40,000.

The CHAIRMAN. About \$34,000.

Mr. SOUTH. If one of the members dies, then you will be called on next year to give us an appropriation for the contingent fund to pay that account originating in this year and there will be an overlapping again.

Mr. GILLETT. You mean for the funeral expenses?

Mr. SOUTH. Yes; the burial expenses.

Mr. GILLETT. Why has this miscellaneous item increased so much lately?

Mr. SOUTH. It is mainly on account of these enormous investigations, Mr. Gillett.

Mr. GILLETT. You have not been having any of those investigations this year, have you?

Mr. SOUTH. Occasionally there is one. There is one now investigating Judge Dayton, and the District of Columbia Committee has spent a great deal of money in investigating the finances of the District and incidentally have collected back a million or two dollars, and we are paying money continually out of this fund right along for the hearings, and in the Dayton matter the stenographers' fees in that are going to be pretty big. They are taking all of that testimony in shorthand and transcribing it. I have not estimated that, and I do not know how extensive their hearings are going to be. We have already paid 40 or 50 witnesses for two or three days' attendance and mileage to reach the place where they are to testify, and

the stenographers' fees will also come out of this fund. Mr. Johnson also has authority to employ for the remainder of this session an expert accountant, and he draws a good deal of money and is employed up to the 4th of March under the present plan. We owe him now something like a month's salary and there will be another accumulated month. We are paying him \$200 a month.

Mr. Sisson. How many janitors does it require to keep the House end of the Capitol clean?

Mr. SOUTH. The janitors on the Doorkeeper's roll attend to the halls and the Doorkeeper's personal offices. My recollection is he has 14. I think that is all.

Mr. Sisson. Do you not think it would be better if all of this was put under one head, like under the Clerk's office?

Mr. SOUTH. No, sir. It would not be right for the clerk to employ the janitors.

Mr. Sisson. I do not mean to employ them. I mean in making the reports for the appropriation, instead of having three or four men come in and make the reports, to let one of the officials, like the clerk, keep up with the pay roll. We never know anything about it. I have tried two or three times to find just how many men it took to keep this end of the Capitol clean.

Mr. SOUTH. My belief is there are 18 men. I think Mr. Sinnott has 14 on his roll, including the head janitor and all of his assistants, and we have 4.

Mr. Sisson. Does that include the House itself?

Mr. SOUTH. You mean the House of Representatives in the Capitol Building?

Mr. Sisson. Yes.

Mr. GILLET. Does that include the committee janitors?

Mr. SOUTH. No, sir; that is separate.

Mr. GILLETTE. They take care of the committee rooms.

Mr. Sisson. What I am trying to get at is what it takes to keep the House end of the Capitol clean, irrespective of where they belong.

Mr. SOUTH. I think it takes 18 men.

Mr. Sisson. I mean irrespective of how they are employed.

Mr. SOUTH. The Ways and Means Committee has one, you all have one, Mr. Flood has one, the Speaker has one, and Mr. Adamson, and then there is one assigned by Mr. Sinnott. I think there are just five additional ones in this building.

Mr. Sisson. Do you count the two that keep the toilet room here clean?

Mr. SOUTH. Yes, sir; they are a part of Mr. Sinnott's 14.

The CHAIRMAN. The committee janitors are really messengers.

Mr. SOUTH. They are messengers and janitors.

Mr. GILLET. That means you have 23 altogether?

Mr. SOUTH. Yes, sir; I think so.

Mr. Sisson. Just to keep these rooms clean? I understand the committee janitors have various and sundry duties.

Mr. GILLET. And you are not talking about the floor of the House at all?

Mr. SOUTH. It includes the two in the Members' toilet room.

Mr. GILLET. But the House floor itself, these 23 men do not take care of?

Mr. SOUTH. Yes, sir; 2 of that 23 are in the cloakrooms. I do not count the barbers, because they are extra, but they furnish one of their men to assist in that work.

Mr. Sisson. Originally the barbers did some service of this kind, back in the early days, but the barbers have now gotten so dignified that they do not do any thing of that sort, and simply send over their bootblack, and really get \$60 a month for which they do nothing.

Mr. SOUTH. We made them assist in polishing up the brasswork and things of that sort, but after they once commence grinding we do not require them to do anything else.

The CHAIRMAN. The barber does nothing but shave and cut hair, and you pay him \$60 a month.

Mr. Sisson. And they charge everybody for their services?

Mr. SOUTH. Yes.

The CHAIRMAN. They are furnished water, rent, heat, and light, and get \$60 a month?

Mr. SOUTH. The only idea is that we have to have them here regularly, and it keeps a steady class of high-class men. We cut out all supplies to them this year.

The CHAIRMAN. They pay no rent and pay nothing for light or heat.

Mr. SOUTH. That is true. We did furnish them all their toilet water, shaving soap, and hair tonic. We supplied that for years, but they passed a resolution last year cutting that out, but I am furnishing them towels yet.

Mr. Sisson. They get towels, water, heat, light, office fixtures, and rent, and then they get \$60 a month and regular barber prices for what they do?

Mr. SOUTH. Yes, sir; that is true.

TUESDAY, FEBRUARY 23, 1914.

FOLDING SPEECHES.

STATEMENT OF MR. J. J. SINNOTT, DOORKEEPER.

The CHAIRMAN. Mr. Sinnott, we have before us the following letter from you:

HOUSE OF REPRESENTATIVES,
OFFICE OF DOORKEEPER,

• Washington, D. C., February 18, 1915.

Hon. JOHN J. FITZGERALD,

Chairman Appropriations Committee, House of Representatives.

DEAR SIR: I respectfully request that an appropriation of \$2,000 for folding speeches be provided for in the general deficiency appropriation bill.

I wish to say that the amount of money I have on hand for speech folding will be exhausted in a few days, and I will need this additional amount asked for to continue the work.

Very truly, yours,

J. J. SINNOTT,
Doorkeeper House of Representatives.

Mr. SINNOTT. Mr. Chairman, in reference to that I wish to say that I have received a letter from the foreman of the folding room

in which he states that within the past few days about 1,250,000 speeches have been ordered to the folding room.

The CHAIRMAN. One million two hundred and fifty thousand speeches?

Mr. SINNOTT. Yes, sir. We have not a sufficient amount of money in our speech-folding fund for the number of speeches ordered up to February 17, and the foreman states that many thousands will be ordered from now until the close of the session and, in fact, will be ordered after the close of the session.

The CHAIRMAN. How much money did you have this year?

Mr. SINNOTT. Only \$2,000. I could have gotten along with that amount, I think, until the meeting of the next Congress but for the fact that one Member of the House ordered 600,000 speeches and another Member ordered 500,000, and will probably order 1,000,000 more.

The CHAIRMAN. You have had \$11,000 this year?

Mr. SINNOTT. I had \$2,000 this year in the urgent deficiency bill. I have not had anything since you made an appropriation at the last session of Congress.

The CHAIRMAN. Did you not secure an appropriation in the legislative bill?

Mr. SINNOTT. No, sir. The item for folding speeches is never carried in the legislative bill. There is an item carried in the legislative bill for the Senate, \$8,000, but nothing for the Doorkeeper of the House. I have to secure my appropriations through the deficiency bill.

Mr. GILLETT. Do you get all your appropriations through the deficiency bill?

Mr. SINNOTT. I mean just for the speech folding.

Mr. GILLETT. Just that one item?

Mr. SINNOTT. Yes, sir.

Mr. BARTLETT. You say that one Member of the House ordered 600,000 and another Member 500,000 speeches?

Mr. SINNOTT. Yes, sir; and I understand that there will probably be a million more ordered.

Mr. GILLETT. There will not be anything like as many this year as last year?

Mr. SINNOTT. No, sir. I very likely could have gotten along without this \$2,000 but for the fact that several Members have ordered a very large number of speeches.

The CHAIRMAN. Mr. Sinnott, you are wrong in your statement. In the act of July 29, 1914, \$3,000 was appropriated; in the deficiency act of May 25, 1914, \$6,000 was appropriated, to continue available during 1915, and in the urgent deficiency act of January 25, 1915, you had an appropriation of \$2,000 more, making in all \$11,000.

Mr. SINNOTT. That was all exhausted previous to the beginning of this session of Congress, and I came here and asked for an urgent deficiency of \$2,000.

The CHAIRMAN. How much money have you on hand now?

Mr. SINNOTT. The foreman of the folding room keeps tab on that matter, and he informs me that the present fund will be exhausted to fold the speeches ordered to the folding room up to February 17; that is a week ago.

SATURDAY, FEBRUARY 20, 1915.

ADDITIONAL COMPENSATION TO OFFICIAL REPORTERS.

**STATEMENTS OF MR. FRED IRLAND AND MR. GEORGE C. LAF-
FERTY, OFFICIAL REPORTERS OF DEBATES.**

Mr. IRLAND. Mr. Chairman, I have been requested by my associates to make a brief statement of some facts with reference to the corps of official reporters of debates. The corps was organized in the Forty-third Congress, and the total proceedings of the House and Senate for that Congress, including all sessions, amounted to 8,432 pages of the Record. The proceedings of the present Congress up to date amount to 29,500 pages, and will run to between 30,000 and 31,000 pages before the 4th of March. That is an increase of nearly 400 per cent in the output of the official reporters, and it represents in a very striking way the great increase in the activities and work of Congress. I do not know of any other barometer that shows it better than that.

At the time this corps was organized the total amount paid for the auxiliary force of the House, including officers, employees, and committee clerks, amounted to \$218,500; so that, as you will see, the official reporters of debates of the House at that time represented about 12 per cent of the total expense for the assisting force employed to help Members do their great work. But at the present time the salaries of the officers, employees, committee clerks, and clerks to Members, or the total auxiliary forces of the House, amount to \$1,277,000, and that increase has been made because of this great increase in the activities of the House, all of which are concentrated on the Record. At the time our corps was organized the expense of the reporting was 30 per cent of the cost of getting out the Congressional Record, but at the present time the expense of reporting is less than 10 per cent of the cost of the Congressional Record. Our force has been increased by one member in 40 years, and the salaries of the members have remained exactly the same as they were then.

Mr. GILLET. As they were 40 years ago?

Mr. IRLAND. Yes, sir. I once had the honor to be the president of the National Shorthand Reporters' Association of the United States, and have taken a great deal of interest in the development of the reporting business; and I know that the compensation of other reporters in large cities has very greatly increased over what it was at that time. There are quite a number of men employed in this city by reporting firms on a piece-work basis—reporters who are not working for themselves, but for employers—who make a good deal more money than we do. Now, I have in my hand here a strip of columns of the Congressional Record, pasted together, end to end, which represents the work of one member of our corps on one day two weeks ago—

Mr. BARTLETT (interposing). On both sides?

Mr. IRLAND. On one side. This strip, composed of 23 columns of the Congressional Record, makes more than 20,000 words; and remember that this represents the taking, dictation, and careful revision—one reporter's share.

Mr. GILLET. That is a maximum instance, is it not?

Mr. IRLAND. That is larger than usual. It is twice the amount of work that a man ought to do, and it is twice what he can do well and go over carefully every day. The thing that interests me in connection with this matter is the fact that the office of the Official Reporters of Debates represents, I believe, a minimum of expense with a maximum of efficiency and output, when compared with almost any standard that can be thought of in connection with the other work of the House. Since I had the honor of talking to this committee one year ago we have effected what I regard as an important saving. Composition work at the Government Printing Office up to a certain hour in the day costs a certain amount; but after that hour in the day the cost is 20 per cent more.

Now, in cooperation with the superintendent of work at the Government Printing Office during this session of Congress I have been able to get into effect something that I have been wanting to do for years, and that is to get a part of the copy of the House proceedings set regularly in the daytime. Yesterday there were 45 pages of the Congressional Record, and of those 45 pages, 21 pages were set before the quitting time of the day force. That represented a saving, as nearly as I can compute it, of about \$26 on composition work yesterday which was brought about simply by getting the composition started at an earlier hour. I have no doubt that by continuing that we can save to the Government an amount equal to the salaries of two of the official reporters every year, so it is very important to get out our copy with the utmost rapidity consistent with careful revision. In other words, getting our copy down to the Printing Office as quickly as the convenience of the Members will allow represents an important saving. The later the copy reaches the Printing Office the more it costs to set it.

Mr. GILLET. Night composition costs more than day composition?

Mr. IRLAND. Twenty per cent more. Every single line set after 5 o'clock costs 20 per cent more than what is set before 5 o'clock, and we send down as much copy as we can and get it set before 5 o'clock. We never could get a Public printer in any previous administration to see that that was a practicable thing to do regularly. They all admitted that it was a good thing to do, but they did not think that they could dispose the force so as to carry it out. However, they are doing it now.

There is in the deficiency bill a little item for the reimbursement of the official reporters for money which they have been advancing since last year to pay their typewriting force. This statement I am making now, however, is not directed to that, because the House always allows that as a matter of course.

The CHAIRMAN. This is the amount that you have actually paid to amanuenses?

Mr. IRLAND. Yes, sir; that is correct.

Mr. LAFFERTY. Since last July.

Mr. IRLAND. It is not in reference to this that I come before the Committee on Appropriations. I am very much impressed with the fact that there ought to be, when circumstances will justify it, a slight increase in the salaries of the official reporters, and of our assistant, Mr. Cameron.

The CHAIRMAN. There are six reporters?

Mr. IRLAND. Yes, sir.

The CHAIRMAN. And the compensation is what?

Mr. IRLAND. \$5,000 a year each.

Mr. LAFFERTY. The salary never has been changed in 41 years.

Mr. IRLAND. There has been an increase of one in the number of reporters, and a very great increase in the work. This corps was organized by taking over the men who had been employed by the Congressional Globe, which formerly had the printing contract; so that, in the judgment of the private employers at that time, who had the contract with the House up to 1875, five men were necessary in order to give them their copy within the time that they ought to have it. Now, notwithstanding the quadrupling of the quantity of work, we have very greatly increased the efficiency of the corps in the matter of getting out copy quickly, while, as I say, the corps has been increased by only one member. Owing to the fact that Congress has sat a great many more hours a day, a great many more days in the week, and a great many more weeks in the year, we have increased the output of the office 400 per cent, while the increase in the other assisting force of the House has been as \$218,000 is to \$1,277,000. The general clerical force of the House has been increased 600 per cent, and the official reporters 20 per cent. The increase in the membership since that time has been very large.

Mr. LAFFERTY. It has doubled since the corps was started.

Mr. IRLAND. The amount paid to members for compensation has increased from \$1,500,000 to \$3,300,000.

The CHAIRMAN. Was there any extra compensation allowed the reporters in the last Congress?

Mr. IRLAND. No extra compensation was allowed us in the last Congress. A lump sum for extra services was allowed in the Fiftieth Congress, when \$1,000 was allowed; in the next Congress, \$1,000; and when the Wilson bill was passed \$1,000 was allowed; and \$1,500 the year of the Dingley bill. I might say that the work that was done by the official reporters in those Congresses was not half what it has been in this Congress.

Mr. LAFFERTY. I would like to say one word in regard to the item we have up for consideration—that is, to pay us for two extra sessions. In the last four years, if we had been paid for the extra time that we have worked, we would have been paid about \$9,000 apiece for the extra work that we have done. That is what it would be on the monthly basis.

Mr. IRLAND. The chairman of this committee is familiar with the work of official court reporters in the city of New York, and I want to say, in reference to this strip of paper that shows the amount of work done by each man on our corps in one day, that if he had done that work in New York or at New York rates he would have received \$62 for it. Each reporter would have received \$62 for the amount of work that was done in one day.

The CHAIRMAN. Do you mean \$62 for each man?

Mr. IRLAND. That is the amount that would have been earned in getting out that amount of court proceedings; and, having worked at both, I know the court work to be a good deal easier than the work on the floor. That amount would have been paid for this work at the New York rates.

The CHAIRMAN. They get salaries there.

Mr. IRLAND. They get a salary of \$3,000 a year and a folio rate besides.

The CHAIRMAN. They get something in addition to the salary?

Mr. IRLAND. Oh, yes; they are paid for everything they write out.

The CHAIRMAN. That is, for everything they furnish, at 10 cents per folio?

Mr. IRLAND. For daily copy the rate is 15 cents, and, as there are two sides to every litigation, they get 15 cents from each side for daily copy. We furnish the copy, not the next day, but immediately. That is just an illustration of the differences in the compensation paid other stenographers in large cities, as compared with the compensation allowed the official reporters.

Mr. LAFFERTY. Congress has been in session for practically 43 months out of the last 48. I have here a memorandum of facts I would like to submit:

The salaries of the official reporters of debates are the same as when the corps was organized 41 years ago.

There has been an increase of but one man during that period.

The membership of the House has doubled within that time.

The working hours have been greatly lengthened.

Every other official and employee of the House has had his compensation increased from 20 per cent to 40 per cent during that period.

The work of the House in the last six years has trebled.

Mr. IRLAND. This extra work falls with peculiar severity on the official reporters, as they can not call in substitutes no matter how long the House sits. With practical uniformity the House has recognized this fact heretofore by allowing extra compensation when the sessions were unusually long.

TUESDAY, FEBRUARY 23, 1915.

ADDITIONAL COMPENSATION TO STENOGRAPHERS TO COMMITTEES.

STATEMENT OF MR. M. R. BLUMENBERG, OFFICIAL STENOGRAPHER TO COMMITTEES.

The CHAIRMAN. You may proceed, Mr. Blumenberg.

Mr. BLUMENBERG. In the statements made before the subcommittee by Mr. Irland and Mr. Lafferty last Saturday, relative to the payment of extra compensation to the stenographers of the House of Representatives, I find that they evidently unintentionally omitted including the official stenographers to committees, and I desire to say a few words in their behalf.

As you gentlemen well know, the official stenographers to committees antedate the official reporters of debates, and their compensation was fixed by law in 1874 at \$5,000 each. The work of reporting the hearings before the committees of the House of Representatives has increased enormously. The number of committees has been increased, many committees which 10 or 20 years ago seldom held hearings now have frequent hearings, and the work of the more important committees has greatly increased, necessitating many more

hearings. Some committees hold hearings at night on account of the great press of public business. The hearings before the Appropriation Committee on the sundry civil appropriation bill in 1891 covered 130 pages and in 1914 2,163 pages; on the legislative bill in 1891, 54 pages, and in 1914, 980 pages; on the fortification bill in 1891, 22 pages; and in 1914, 275 pages.

I can not better state the situation regarding hearings before the Committee on Appropriations than to read a few lines from the statement made by Mr. Fitzgerald, the chairman of this committee, on the floor of the House, on January 21, 1913, as follows:

It was not until 1800 that the committee had stenographic reports made of hearings conducted in the preparation of appropriation bills, and at that time they made in all 368 printed pages. During the first session of this Congress they make five large volumes, containing 4,675 printed pages.

That you may better appreciate what is now required of the official stenographers to committees, it may be interesting to know that in the case of the hearings on the McKinley tariff bill, which covered 1,400 pages, the record was transcribed at the leisure and convenience of the stenographers, while in the case of the hearings on the Payne tariff bill, which ran from 9 a. m. to 12, midnight, and covered 8,500 pages, the printed record of each day's hearings was delivered to the Committee on Ways and Means the following morning at 9 o'clock.

Mr. GILLETT. Has there been any increase in the force?

Mr. BLUMENBERG. There has been no increase in the force of committee stenographers in 10 years.

Mr. GILLETT. How many committee stenographers are there at this time?

Mr. BLUMENBERG. Four.

Mr. GILLETT. What compensation do they receive?

Mr. BLUMENBERG. \$5,000, the same compensation as that received by the Official Reporters of Debates. Three of those gentlemen were formerly members of our corps, and very willingly went to the floor corps when the opportunity offered.

In the year from July 1, 1911, to June 30, 1912, the stenographic transcripts which passed through the office of the official stenographers to committees covered 66,277 printed pages, the printing of which cost more than \$200,000.

Mr. GILLETT. Was all that work performed by the four Official Stenographers to Committees?

Mr. BLUMENBERG. No, sir; that also includes the work done by the outside stenographers. It would have been physically impossible for the four committee stenographers to have done it.

In later years it has become customary for the committees to sit during the Christmas holiday recess, and the official stenographers to committees are frequently called on during the interim of the sessions of the House to report hearings before committees.

Mr. BARTLETT. In addition to that, when Congress is not in session, you have frequently been called upon to attend on hearings?

Mr. BLUMENBERG. Yes, sir. We went to New York with the steel investigating committee, of which you were a member, to New York with the sugar investigation committee, to Boston and New York with the special committee which investigated the Taylor system of scientific shop management, etc.

MONDAY, FEBRUARY 22, 1915.

GOVERNMENT PRINTING OFFICE.

PRINTING AND BINDING.

STATEMENT OF MR. CORNELIUS FORD, PUBLIC PRINTER, ACCOMPANIED BY MR. B. O. BEENE, ACCOUNTANT.

The CHAIRMAN. "For the public printing, for public binding, and for paper for the public printing and binding," etc., you ask \$223,696.53?

Mr. FORD. That is brought about by the continuous session of Congress.

The CHAIRMAN. What was your total appropriation for the fiscal year?

Mr. FORD. \$4,463,820.

The CHAIRMAN. Please explain that more fully.

Mr. FORD. Those estimates were based upon no extra session of Congress.

Mr. BARTLETT. That is the amount of the appropriation; not the amount of the estimate.

Mr. FORD. Yes, sir. Congress being in session, it compelled us to continue the night force, and hence this deficiency.

The CHAIRMAN. For the six months ending December 31, you spent \$2,212,516.53; is that right?

Mr. BEENE. I have not those figures. I have the figures to the 16th of February, \$2,207,507. Our appropriation was balanced on the 1st of January, \$2,251,303.47.

The CHAIRMAN. How much did you spend?

Mr. BEENE. \$2,207,507. That is the appropriation balance. That does not take into consideration the repays.

Mr. FORD. The expenditures for the first six months amounted to \$2,465,361.37. That is, including outstanding obligations.

The CHAIRMAN. Outstanding obligations chargeable to this balance on January 1?

Mr. FORD. Yes, sir.

The CHAIRMAN. Then that amount is not available?

Mr. FORD. No, sir.

The CHAIRMAN. I took what you said was your available balance on the 1st of January from your total appropriation. I want to know what you spent in the first six months for this purpose.

Mr. BEENE. The amount of repayments collected was \$252,844.84.

The CHAIRMAN. You estimated \$395,000?

Mr. BEENE. Yes, sir; \$395,000 to be collected after the 1st of January.

The CHAIRMAN. I want to know what you spent before the 1st of January.

Mr. BEENE. The expenditures for the first six months amounted to \$2,465,261.37.

The CHAIRMAN. How do you estimate that you are going to spend \$400,000 more than that in the last six months?

Mr. BEENE. We figure on \$1,814,000 for pay of employees; paper, material, and supplies, \$1,055,500.

The CHAIRMAN. Why should there be an expenditure of \$400,000 more in the last six months than in the first six months, when Congress will not be in session for three of those months? How do you reach those figures? You estimate that you will spend \$2,870,000 from the 1st of January to the 30th of June, do you not?

Mr. FORD. Yes, sir.

The CHAIRMAN. What was the appropriation for 1914?

Mr. BEENE. The same as for this year.

The CHAIRMAN. And in 1914 Congress was in session practically the whole year?

Mr. BEENE. Yes, sir.

The CHAIRMAN. And you got \$4,463,820.

Mr. FORD. With a deficiency of \$308,000.

The CHAIRMAN. Then your total appropriation was \$4,771,820.

Mr. FORD. Yes, sir.

The CHAIRMAN. And yet, with Congress out of session for four months, you are asking within \$84,000 of what you then had, with Congress in session practically all the time?

Mr. BARTLETT. You estimate expenditures on account of salaries and wages from January 1 to June 30, 1915, at \$1,814,500. What items make up this estimate?

Mr. FORD. The salaries and wages from January 1 to June 30, 1915, are estimated at \$1,814,500, while the expenditures for paper, envelopes, material, supplies, etc., is estimated at \$1,055,500.

The CHAIRMAN. How much did you spend in the first six months for salaries and wages?

Mr. FORD. \$1,689,966.48.

The CHAIRMAN. And for the last six months you are asking \$130,000 more than you actually spent in the first six months for salaries and wages.

Mr. FORD. We find that the reason the amount of \$1,814,500 was presented was that the accounting division took into consideration a continuous session of Congress the same as last year, not counting on the four months of Congress being away when that estimate was made. Now, with Congress being away four months, the revised estimate would be, instead of \$1,814,500, \$1,627,566.48. That is in wages.

The CHAIRMAN. My understanding is that the estimate as submitted was based on the theory that Congress would be in session?

Mr. FORD. Yes, sir.

The CHAIRMAN. And your explanation is that that was due to the fact that you had not been figuring on Congress not being in session?

Mr. FORD. That is it.

The CHAIRMAN. How about the supplies?

Mr. FORD. That only gives us a total deficiency of about \$36,000 from \$223,000. The supply estimate is correct, the amount of stock to be purchased to replenish stock that has been used for the extraordinary work in the first six months compels us to ask for that.

The CHAIRMAN. You have a certain stock on hand?

Mr. FORD. We try to keep three months' supply of stock at all times. That stock has been reduced practically down to the boards.

The CHAIRMAN. You have been using that stock in the first six months?

Mr. FORD. Yes, sir. We have to replenish that stock, and even the amount asked for will not bring us up to a full three months' supply, but we believe it will be enough to carry us over. One million two hundred and seventy-two thousand one hundred and forty-eight dollars represented the purchases last year from January 1 to June 30.

The CHAIRMAN. From January 1 to July 1, 1914?

Mr. FORD. Yes, sir.

The CHAIRMAN. The purchases of supplies amounted to \$1,272,148?

Mr. FORD. Yes, sir.

The CHAIRMAN. All those purchases are made under the supervision of the Joint Committee on Printing?

Mr. FORD. Yes, sir; over a thousand dollars.

The CHAIRMAN. All those purchases are passed upon not only by you, but by the committee?

Mr. FORD. Yes, sir; not contracts. The committee enters into yearly contracts for the purchase of paper.

The CHAIRMAN. But they superintend the making of the contracts?

Mr. FORD. Yes, sir; they make the contracts. You see my duty is merely to sign the contracts, and as we need the stock to call for it. The contracts are made for approximately so much stock.

LEAVES OF ABSENCE.

I should like to call your attention, Mr. Chairman, to the estimate on page 76 in reference to leaves of absence.

The CHAIRMAN. \$13,656.30?

Mr. FORD. Yes, sir. We want to increase that amount \$5,000 because of the death, dropping, and resignation of employees. We will have to pay them leave right up to the date, and by reason of these separations, etc., it will mean \$5,000 more.

The CHAIRMAN. You are asking for a change of law:

And the Public Printer is authorized to pay to employees receiving annual salaries fixed by law the full amount of earned and accrued leave due them and not taken and paid during the fiscal year 1915?

Mr. FORD. We have to pay them when we separate them from the service or if they resign. When they die their estate gets it.

The CHAIRMAN. Why is this necessary? This is a change of law, there is no doubt about that. What does this mean?

Mr. FORD. I do not know who put that in.

The CHAIRMAN. You are not interested in it?

Mr. FORD. No, sir.

The CHAIRMAN. For leaves of absence instead of \$13,656.30 you want \$18,656.30?

Mr. FORD. Yes, sir; that will be absolutely necessary.

The CHAIRMAN. You believe you will have that much earned leave which will have to be paid?

Mr. FORD. Yes, sir.

The CHAIRMAN. That leave is fixed by law?

Mr. FORD. The limit is fixed by law.

The CHAIRMAN. As it operates, it is not discretionary?

Mr. FORD. It is discretionary. I went into a recent decision of the Comptroller, and it is entirely discretionary with the Public Printer.

The CHAIRMAN. But the practice has been to grant it?

Mr. FORD. To grant 26 days, and we always compute it on 26 days. The Comptroller says:

Although it will probably be so understood, it may be best to state specifically, in anticipation of the general application of this section, that no right to 30 days' leave with pay exists, and the Public Printer is not required to grant leave to that extent—

but the custom has been to grant 26 days' leave, and that still obtains.

The CHAIRMAN. This amount is what you estimate is required to carry that out?

Mr. FORD. Exactly.

WEDNESDAY, FEBRUARY 17, 1915.

PRINTING AND BINDING, TREASURY DEPARTMENT.

STATEMENT OF MR. FREDERICK F. WESTON, CHIEF DIVISION OF PRINTING AND STATIONERY, TREASURY DEPARTMENT.

The CHAIRMAN. We have before us an item "For printing and binding for the Treasury Department, \$70,000." Your appropriation is \$380,000?

Mr. WESTON. Yes, sir.

The CHAIRMAN. In addition to that you had some allotment?

Mr. WESTON. No, sir.

The CHAIRMAN. How do you estimate that you will need \$70,000?

Mr. WESTON. That is fully set forth in the letter.

The CHAIRMAN. I know, but we want a statement.

GENERAL SUPPLY COMMITTEE.

Mr. WESTON. The causes for the deficiency are several. First, the decision of the Comptroller of the Treasury, dated September 10, 1914, of which I have a copy here, requires the Treasury Department to defray hereafter all the expenses of the General Supply Committee. It reads:

Hereafter all expenses of the General Supply Committee will be borne by the Treasury Department appropriations unless Congress shall otherwise provide, either by separate or specific appropriations or by express authority for contributory payments from appropriations of other departments.

I have read the last paragraph of the decision. Up to this time the expense of the General Supply Committee has been apportioned among the several departments in proportion to the use they made of the contracts for supplies for the departments. Under this decision the printing as well as the other expenses of the committee will be borne entirely by the Treasury Department.

The CHAIRMAN. What were the printing expenses last year?

Mr. WESTON. Between \$25,000 and \$26,000; I have not the exact figures.

The CHAIRMAN. That is, for 1914?

Mr. WESTON. Yes, sir.

The CHAIRMAN. Of which the Treasury Department paid how much?

Mr. WESTON. About one-eighth.

The CHAIRMAN. Can you give us those exact figures?

Mr. WESTON. Later on; yes, sir.

The CHAIRMAN. As a result of this decision, instead of paying \$3,000 or \$4,000, you pay the entire amount?

Mr. WESTON. Yes, sir.

The CHAIRMAN. And you estimate that that will add how much, \$20,000?

Mr. WESTON. Twenty thousand dollars, as stated here, in round numbers. That is as near as we can get at it at this time.

The CHAIRMAN. Is there any reason why the Treasury Department should be charged with the entire cost of this General Supply Committee?

Mr. WESTON. Only that under the decision of the comptroller none of it can be charged to any other department.

The CHAIRMAN. Is for work that is done for all the departments of the Government?

Mr. WESTON. Yes, sir.

The CHAIRMAN. And the intention was that they should bear their pro rata share?

Mr. WESTON. Yes, sir.

The CHAIRMAN. Suppose we should insert a provision requiring this cost to be distributed pro rata for the services rendered, that would then only leave the Treasury Department bearing the portion which legitimately should be borne by it?

Mr. WESTON. Yes, sir.

The CHAIRMAN. The Treasury Department should not be charged with the cost of maintaining a bureau for some other department. Their printing allotments are made with a view to meeting certain portions of this expense?

Mr. WESTON. Yes, sir. The General Supply Committee is under the control of the Secretary of the Treasury in some respects, and it make an analogous situation.

The CHAIRMAN. This is a request to waive the apportionment?

Mr. WESTON. Yes, sir.

The CHAIRMAN. Was it waived?

Mr. WESTON. Yes, sir.

The CHAIRMAN. Please put in the record the amount charged to each other department for printing for that committee?

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., February 18, 1915.

HON. JOHN J. FITZGERALD,
*Chairman Committee on Appropriations,
House of Representatives, Washington.*

SIR: In response to your request for a statement of the proportion chargeable to the various executive departments and independent establishments of the Government on account of the General Supply Committee printing and binding for the fiscal year 1914, I have the honor to submit the following:

The amount chargeable to each executive department and independent establishment is based on the following apportionment, which was made by the General Supply Committee on the basis of business done:

Department or establishment:	Apportionment.
Department of Agriculture.....	6/48
Treasury Department.....	6/48
Department of the Interior.....	6/48
Post Office Department.....	6/48

Department or establishment—Continued.	Apportionment
Government Printing Office.....	5/48
War Department.....	4/48
Department of Commerce.....	4/48
Department of Justice.....	2/48
Navy Department.....	3/48
Interstate Commerce Commission.....	2/48
State Department.....	2/48
Smithsonian Institution.....	1/48
Department of Labor.....	1/48

The amounts chargeable under the above apportionment for the fiscal year 1914 are as follows:

Department or establishment:	Amount
Department of Agriculture.....	\$3, 001. 28
Treasury Department.....	3, 001. 28
Department of the Interior.....	3, 001. 28
Post Office Department.....	3, 001. 27
Government Printing Office.....	2, 501. 06
War Department.....	2, 000. 85
Department of Commerce.....	2, 000. 85
Department of Justice.....	1, 000. 42
Navy Department.....	1, 500. 64
Interstate Commerce Commission.....	1, 000. 42
State Department.....	1, 000. 42
Smithsonian Institution.....	500. 21
Department of Labor.....	500. 21
Total.....	24, 010. 19

If it is the intention of the committee to apportion among the various executive departments and independent establishments the cost for printing and binding, it is suggested that the same apportionment, to be applicable to the present fiscal year, be made for all other expenses of the General Supply Committee, the decision of the Comptroller of the Treasury of September 10, 1914 (copy of which is inclosed), having directed that—

"Hereafter all expenses of the General Supply Committee will be borne by the Treasury Department appropriations unless Congress shall otherwise provide, either by separate specific appropriation or by express authority for contributory payments from appropriations of other departments, or in some other manner."

Respectfully,

W. G. McAdoo, *Secretary*.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE TREASURY,
Washington, September 10, 1914.

The honorable the SECRETARY OF COMMERCE.

SIR: I have your letter of the 31st ultimo, as follows:

"The inclosed voucher in the sum of \$42.64, submitted by the Treasury Department to reimburse the appropriation 'Contingent expenses, Treasury Department, stationery, 1914,' for the proportionate share of the expenses incurred by that department on account of General Supply Committee work of the Department of Commerce, has been submitted to me with request for approval to the transfer of funds, charging the appropriation 'Contingent expenses, Department of Commerce, 1914,' with the total amount of the voucher.

"In view of your decision rendered to the Secretary of the Treasury August 7, 1914, in which the question of a similar payment was declared to be unauthorized, I will thank you to advise me whether the voucher forwarded herewith can be properly approved as a charge against the appropriation 'Contingent expenses, Department of Commerce, 1914.'"

The question as presented, namely: Whether or not you may properly approve the transfer voucher as a charge against the appropriation of your department, is one which the Comptroller of the Treasury is not required or authorized to decide. The ultimate question, however, is whether or not the proposed transfer and reimbursement of the Treasury appropriation may lawfully be made. The determination of this ultimate question must, in the end, rest with the Comptroller.

In so far as the case in hand is concerned, the initial determination of the question involved should be left to the auditor who will settle the transfer account; but the question is of general interest and affects other departments as well as your own.

In order that a general rule for future action in all departments may be established, and because the proper determination of the question at issue involves a reconsideration and possible overruling of former decisions of this office, I deem it proper and advisable to consider the question on its merits now and to indicate in an advisory opinion what reimbursement of Treasury appropriations, if any, may lawfully be made.

Section 4 of the act of June 17, 1910 (36 Stat., 531), imposes upon the Secretary of the Treasury the duty of advertising and contracting for supplies for all of the several departments and establishments of the Government. Said section created a general supply committee to aid the Secretary of the Treasury in this work. No specific appropriation for the expenses of this committee has been made except for certain personal services which are appropriated for under the general heading "Treasury Department."

The work of advertising and contracting for supplies for all departments has been taken from the several departments and given to the Secretary of the Treasury as head of the Treasury Department. The representatives on the committee of the several departments who aid the Secretary in this work act for him and under his direction, and not for the respective departments which they represent. Expenses of the committee are therefore Treasury Department expenses.

In the absence of a specific appropriation for the expense of stationery for this committee (which has been refused by Congress, see p. 612, Estimates for 1914), the Treasury Department appropriation is exclusively applicable to said expense and may not lawfully be reimbursed by contributions from the appropriation of your department.

The decision of this office to the Secretary of the Treasury, dated August 30, 1910 (54 MS. Comp. Dec., 957), is overruled accordingly.

The ruling now announced should not be made to operate retroactively so as to hamper the administration of appropriations which have been estimated for and made in conformity with the former ruling.

Appropriations for the fiscal year 1914 may be adjusted in accordance with the practice heretofore prevailing under the decision in 54 MS. Comp. Dec., 957, *supra*. (See also letter of Mar. 23, 1912, to the Secretary of Commerce and Labor.)

Hereafter all expenses of the General Supply Committee will be borne by Treasury Department appropriations unless Congress shall otherwise provide, either by separate specific appropriation or by express authority for contributory payments from appropriations of other departments, or in some other manner.

Respectfully,

Geo. E. Downey, *Comptroller*.

WAR-REVENUE ACT.

The CHAIRMAN. That accounts for \$20,000 of your deficiency being charged against your printing appropriation?

Mr. WESTON. Yes, sir.

The CHAIRMAN. What else is there?

Mr. WESTON. The enactment by Congress on October 22, 1914, of the so-called emergency revenue act that required a large quantity of new printing, record books for the use of the collectors of internal revenue, blanks for the use of the Treasury officers, and also for the public in ordering revenue stamps to be placed on these various articles.

The CHAIRMAN. What is it estimated that that amounts to?

Mr. WESTON. It figures, up to February 1, a little over \$31,000. I have called it in round numbers, as I have the other item, \$30,000.

The CHAIRMAN. That is for how long?

Mr. WESTON. Seven months.

The CHAIRMAN. That is because of the war-revenue act?

Mr. WESTON. Yes, sir.

The CHAIRMAN. Does the expenditure of \$30,000 cover the great bulk of the need on that account?

Mr. WESTON. Yes, sir. I estimate that there will not be near as much of that during the remaining part of the fiscal year as there has been in the preceding part.

The CHAIRMAN. In other words, you stocked up on your supplies?

Mr. WESTON. Not exactly so, but the first supply is always the larger and the regulations come in the first supply.

The CHAIRMAN. They have been printed?

Mr. WESTON. Yes, sir.

Mr. BARTLETT. What was the amount allowed in the urgent-deficiency bill of \$100,000 to the Internal-Revenue Bureau? You remember they asked for \$180,000, and \$100,000 was appropriated.

Mr. WESTON. There was no printing in that item.

The CHAIRMAN. What else is there?

OPIUM ACT.

Mr. WESTON. The passage on December 17, 1914, of the opium and narcotic law that required some new printing. I have not that listed separately.

Mr. BARTLETT. That does not come under the Public Health Service?

Mr. WESTON. No, sir; under the Internal-Revenue Bureau. That takes effect on March 1 and the printing is being done now.

The CHAIRMAN. What is the nature of the printing required there?

Mr. WESTON. Chiefly a record book for recording the name and place of business of every druggist in the United States who sells these articles.

The CHAIRMAN. That is done through the collectors of internal revenue?

Mr. WESTON. Yes, sir.

The CHAIRMAN. What is the method followed; do they send a blank to all of the druggists?

Mr. WESTON. The act itself requires them to register. I do not know that they send a notice; possibly they do. As I say, the act takes effect March 1, and the printing is being done now. It looks like it would require \$5,000 or \$6,000.

The CHAIRMAN. That act included an appropriation of \$150,000?

Mr. WESTON. There would be no printing payable out of that appropriation.

The CHAIRMAN. That does not permit the printing?

Mr. WESTON. No, sir.

Mr. BARTLETT. What is this printing for?

Mr. WESTON. This particular item is for the registration books and blanks in connection with the registration of druggists who sell opium, morphine, and their derivatives.

Mr. Sisson. How much will it cost annually to enforce this opium narcotic law?

Mr. WESTON. I could not give a good guess at that. The printing would be the only item that I would have any knowledge of, and I do not think that would be very extensive.

Mr. Sisson. Who would be able to give some information on that point?

Mr. WESTON. Some of the gentlemen from the Internal-Revenue Bureau who are waiting to come before you could, I think, possibly answer that question. Notwithstanding the act mentions all the different purposes for which the money could be used, it does not mention printing, and under the ruling of the comptroller which governs in those matters any part of the appropriation could not be used for printing unless so stated.

The CHAIRMAN. Section 2 of the act approved December 17, 1914, provides:

That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue.

Those are the forms to which you refer?

Mr. WESTON. Yes, sir; they are being printed now.

The CHAIRMAN. And you estimate that it will take about \$5,000?

Mr. WESTON. I expect about that. None of the bills has come in yet. I am estimating it at five or six thousand dollars during this fiscal year.

Mr. BARTLETT. That is a part of the \$30,000?

Mr. WESTON. No, sir.

The CHAIRMAN. What else?

COAST GUARD.

Mr. WESTON. The act passed on January 26, 1915, combining the Life-Saving Service and the Revenue-Cutter Service will require some expenditures for reprinting the forms used in those services to adapt them to the Coast Guard.

The CHAIRMAN. They have their own printing items?

Mr. WESTON. No, sir.

The CHAIRMAN. That money would be available?

Mr. WESTON. No, sir; they have no money. It all comes out of the Treasury allotment.

The CHAIRMAN. They will be using, however, the other forms?

Mr. WESTON. They will use a great number of the other forms, and I am asking them to use as many as they can, but some of them will have to be reprinted. I think that will run about \$3,000 during the fiscal year.

The CHAIRMAN. What else is there?

PUBLIC HEALTH SERVICE.

Mr. WESTON. The Public Health Service has made quite a notable increase in the work of that bureau, which has cost over \$10,000.

The CHAIRMAN. What is their allotment this year?

Mr. WESTON. We do not make any allotments to the different bureaus.

The CHAIRMAN. What was expended on their account last year?

Mr. WESTON. \$42,000 or \$43,000.

The CHAIRMAN. Why do you expect an increase of 25 per cent this year?

Mr. WESTON. Their work comes in by requisition, and if there is not some good reason for denying it it goes on.

The CHAIRMAN. That is a big increase?

Mr. WESTON. Yes, sir; quite an increase.

The CHAIRMAN. What are they doing?

Mr. WESTON. They are printing a great many pamphlets for distribution to the public. They have increased the circulation of their weekly publication, called the Public Health Report—that has been practically doubled.

The CHAIRMAN. They are limited by law?

Mr. WESTON. No, sir. Some of the printing for the Public Health Service is limited by law, but there is no limit on the number of copies of the Public Health Report. That is a weekly magazine, you might call it; it is a pamphlet.

The CHAIRMAN. How many copies are issued now?

Mr. WESTON. About 17,000 copies a week.

The CHAIRMAN. How many copies do they wish to issue?

Mr. WESTON. They are increasing the number right along.

The CHAIRMAN. They can not increase it by creating a deficiency in the appropriation; the law prohibits that.

Mr. WESTON. I have no control over that.

The CHAIRMAN. You have to apportion your printing appropriation to prevent that. You can not permit the number of reports to increase regardless of the appropriation?

Mr. WESTON. For some bureaus of the Treasury Department that would be an excellent rule.

The CHAIRMAN. That is the only rule to prevent the spending of all the money in the Treasury for printing, not only for the Treasury Department, but the other departments.

Mr. WESTON. The department has always treated the lump sum for the benefit of the whole department.

The CHAIRMAN. But you have to allot it in order to prevent a deficiency during the different quarters of the fiscal year. This is the particular appropriation which has to be allotted. Is there any other matter?

COMPTROLLER OF CURRENCY.

Mr. WESTON. The Comptroller of the Currency's account has increased over last year by about \$2,500 for the first seven months of this fiscal year.

The CHAIRMAN. Due to what?

Mr. WESTON. The banking situation generally, owing to the installation of the Federal reserve banks and the additional information called for from the national banks.

The CHAIRMAN. That would not be apparent in the printing item?

Mr. WESTON. Yes, sir. They sent out blanks on several occasions asking for specific information on certain points. There are some 7,700 national banks and it takes that many blanks to go around for one question.

The CHAIRMAN. Is there any other matter?

Mr. WESTON. No, sir.

Mr. BARTLETT. What about the miscellaneous items?

Mr. WESTON. They are divided up amongst the 25 other bureaus of the department and do not in any case amount to very much.

Mr. BARTLETT. You are asking for \$70,000, and the sum of these various items on page 80 is \$66,466.55?

Mr. WESTON. Yes, sir; that is the balance made up on February 1, 1915, the date that this deficiency was requested. There was an existing deficiency on February 1, 1915, of \$66,416.55.

THURSDAY, FEBRUARY 18, 1915.

PRINTING AND BINDING, WAR DEPARTMENT.

STATEMENT OF MR. JOHN C. SCOFIELD, ASSISTANT AND CHIEF CLERK, WAR DEPARTMENT.

The CHAIRMAN. The next item is "For printing and binding for the War Department, \$50,000." Your appropriation is \$190,000?

Mr. SCOFIELD. Although you gave us last year a deficiency appropriation of \$50,000 we were not allowed to use it all. We ordered the printing, but the Public Printer did not finish it in the fiscal year, and he carried the work over and charged it to this year's appropriation. We used about \$5,000 and he charged the balance which we had ordered, \$42,000 in round numbers, to this year's appropriation; so that we started this year with \$190,000, less \$42,000, from last year's work.

The CHAIRMAN. This additional printing was occasioned by reason of the large number of men in the field?

Mr. SCOFIELD. Yes, sir. You remember last spring the situation was such that we had to have a great deal of printing done.

The CHAIRMAN. All of that printing was ordered?

Mr. SCOFIELD. That and other printing already there. We got the emergency printing, but the other printing which we had ordered was carried over.

The CHAIRMAN. And paid for out of this year's appropriation?

Mr. SCOFIELD. Yes, sir.

The CHAIRMAN. And that made you that much short?

Mr. SCOFIELD. About \$42,000 short.

The CHAIRMAN. You are asking for \$8,000 more?

Mr. SCOFIELD. The reason for that is this: The last eight years the actual cost of the War Department printing has averaged \$220,000 annually. For a great many years we had an appropriation very much larger than \$220,000. For six years we had an appropriation of \$275,000. Because we did not spend it all, saved it, I proposed a reduction in the estimate and the committee went one better and they cut it down from \$258,000, which I suggested and the department estimated \$190,000. Nineteen hundred and thirteen was the first year that Congress reduced it. We sent our requisitions down for the printing that we needed from time to time and the Public Printer printed up to \$190,000, the whole amount, and carried over about \$30,000 to the next year's appropriation which was a reduction of that appropriation by that much. For the three years from the time the reduction began to the present, at the average annual cost of printing theretofore, the actual printing required would have cost \$660,000. As a matter of fact it cost \$677,000. We have had \$620,000 in the way of appropriations, but

only \$575,000 available, and that means a difference of \$102,000. I am trying to get along without the \$102,000 by asking for \$50,000.

Mr. Sisson. The estimate for 1916 is \$210,000?

Mr. Scofield. Yes, sir.

Mr. Sisson. And you have \$190,000 this year?

Mr. Scofield. Yes, sir.

Mr. Sisson. This \$50,000 would make \$240,000?

Mr. Scofield. Yes, sir. But you must subtract \$42,000 taken out of this year's appropriation. You gave us \$50,000 last year, of which \$45,000 has not been used by us.

The CHAIRMAN. You have not been able to pay for that much work?

Mr. Scofield. That is it. It was held up and charged against this year's appropriation.

Mr. Sisson. What became of the \$42,000?

Mr. Scofield. It either went back to the Treasury or the Public Printer has it; I do not know which. His report will show that we had a balance of some forty-five thousand dollars.

Mr. Sisson. The Public Printer's report?

Mr. Scofield. Yes, sir. We never got it. It either went back to the Treasury or was used by somebody else. It was not used for us, because his report shows it. That is what makes us short this year. I tried to get them to use this money, but I could not do it. I found a decision of the Comptroller in a precisely similar case to ours, in which he allowed it, but the new Comptroller would not.

MONDAY, FEBRUARY 22, 1914.

CIVIL SERVICE COMMISSION, PRINTING AND BINDING.

STATEMENT OF MR. JOHN A. McILHENNY, PRESIDENT CIVIL SERVICE COMMISSION.

The CHAIRMAN. For printing and binding for the Civil Service Commission you are asking \$10,000. The appropriation is \$45,000.

Mr. McILHENNY. Mr. Chairman, you gave us last year as a deficiency \$8,000, which brought our appropriation for the fiscal year up to \$53,000. In spite of that deficiency appropriation we had to hold up until after the 1st of July \$4,987.56 worth of work, and that was taken out of this year's appropriation.

The CHAIRMAN. The printing done then was used this year?

Mr. McILHENNY. They are forms that go to replenishing our stock.

The CHAIRMAN. They were for use this year and were paid for out of this appropriation?

Mr. McILHENNY. They were paid out of this appropriation, and they are being used now, but we were just short that much, \$4,987.56, out of this year's appropriation, which would have been available for this year's work had it not been held over from the previous year.

The appropriations for printing and binding for the present fiscal year is \$45,000. Of this amount, \$33,740.29 (including amounts reserved for printing examination questions for March) has been expended. Based upon the requirements of the Commission during

the corresponding period of last year, there will be required for the balance of the present fiscal year \$21,930.01, which includes the amount necessary to complete the annual report. There is available for the balance of this fiscal year \$11,259.71, leaving a deficit of \$10,670.30 for the balance of the fiscal year. Owing to the law which prohibits the expenditure of more than one-fourth of the appropriation during either of the last two quarters of the year, no money for miscellaneous printing will be available until April 1.

The following is a summary of this appropriation:

Estimated requirements for the current fiscal year-----	\$55, 670. 30
Estimated expenditures to date-----	33, 740. 29
Estimated amount required to June 30, 1915-----	21, 930. 01
Available funds:	
Balance from third quarter-----	\$9. 71
Allotment for fourth quarter-----	11, 250. 00
	11, 259. 71
Estimated deficit -----	10, 670. 30

During the fiscal year 1910 the commission's appropriation for printing and binding was \$35,000. In 1911, 1912 and 1913 it was \$40,000. The appropriation for 1914 was \$45,000, with the subsequent addition of a deficiency appropriation of \$8,000, making a total of \$53,000. The commission requested an appropriation of \$53,000 for the fiscal year, but was granted only \$45,000. The insufficiency of the appropriation has caused a growing deficit from year to year, thereby hampering each year's appropriation by charges for work which should have been done in the previous year but which could not be done on account of lack of appropriation. Owing to insufficient funds it was necessary to hold up miscellaneous printing from November to January of the present fiscal year, and the same action will have to be taken during the months of February and March, and will seriously hamper the commission's work.

Mr. BARTLETT. What amount have you in the urgent deficiency bill—\$6,000 or \$8,000?

Mr. McILHENNY. We did not get anything in that. The annual report of the commission has not been printed for the same reason.

Mr. GILLETT. You say that your annual report has not been printed?

Mr. McILHENNY. It has not been printed.

Mr. GILLETT. Not at all?

Mr. McILHENNY. It has been set up. We have spent enough to comply with the law, and we have gotten it in type, but we have not had enough money to print it.

With a view to economy, the first-grade examination for the District service and examinations at first-class post offices have been postponed, and old questions have been used in a number of examinations. We have had to go back and use the questions that we used four or five years ago. We have had to go back and use them over again, and we have had to postpone the examinations for first and second class offices where we could have hoped that the number of eligibles might be sufficient to answer the needs of the service. We have had to postpone the examinations until next year and extend the register for an additional year.

The utmost care has been exercised to limit printing to the actual needs of the service, and wherever possible the flexotype has been used, thereby saving the cost of printing and the time of stenographers and typewriters in preparing circular letters and instructions. This work during the last fiscal year, if it had been printed, would have cost \$2,617.11.

I consider that amount of \$2,617.11 an actual saving in the cost of printing for the commission. I have only one clerk doing this flexotype work, but by its use I have been able to economize to that extent.

The increase in the commission's work is best shown by the number of persons examined. That increase is something over which we have no control. The demands on the commission are very heavy, and we have to comply with them.

During the fiscal year 1912 the number of persons examined was 106,078. During the fiscal year 1913 the number of persons examined was 141,905, an increase of 33.7 per cent over 1912.

Mr. GILLET. Was that due largely to the examination of fourth-class postmasters?

Mr. McILHENNY. No, sir; it was independent of that. During the fiscal year 1914 the number of persons examined was 198,099, an increase of 39.6 per cent over 1913, and an increase of 86.7 per cent over 1912.

Mr. GILLET. Is that also independent of fourth-class postmasters?

Mr. McILHENNY. Yes, sir.

Mr. GILLET. It is outside of that?

Mr. McILHENNY. Yes, sir; entirely outside of that.

Mr. Sisson. How do you account for that increase, Mr. Commissioner?

Mr. McILHENNY. There are more people taking an interest in the Government service.

Mr. Sisson. Has the number of places been increased, or has there been an increase in the number of vacancies occurring?

Mr. McILHENNY. There has been a material increase in the number of vacancies by reason of the new work which Congress has authorized, and the people of the United States seem to look upon the Government service as a very desirable service.

Mr. Sisson. In addition to the creation of new places, the desire to enter the Government service has increased?

Mr. McILHENNY. Yes, sir; very materially. The mail of the commission, for instance, is three times as great as it was three years ago, and the demand on the commission for announcements of examinations and all those things which the commission must print to let the people know what the examinations are, including these different forms and the manual of examinations, has greatly increased. There is a constant demand for them, and we should meet it.

Mr. Sisson. Those are the requests that we usually get through our mail and that we shove up to you?

Mr. McILHENNY. Yes, sir. You gentlemen, for instance, send in a request containing the names of half a dozen people to whom you want the application blanks sent, or you may want the manual of examinations sent to them. They have made inquiries of you, and the commission has to comply with them, and this printing fund is to enable us to do those very things.

These increases do not, of course, take into account the number of persons examined under the special job for fourth-class postmaster.

Mr. Sisson. Can you tell from your data or from your recollection the number of persons who stood the examinations for fourth-class postmaster?

Mr. McILHENNY. Mr. Wales, the chief examiner, says that for that job of work there were about two applicants, or an average of two applicants for each post office, and that would bring it up to something over 40,000 that stood the examination for fourth-class postmaster.

Mr. GILLET. Have you caught up with that work yet?

Mr. McILHENNY. Yes, sir; that job of work is virtually ended. We had a little balance of the fund that was granted us by Congress with which to do that job of work, and we asked the President to allow us to use that money in holding another examination to fill the position of postmaster in the higher fourth-class post offices, paying \$500 or over, and for which there had been no examinations at all. We did that because the Postmaster General thought it wiser to fill the places that way than to appoint the postmasters. That job has not been completed yet, but it is not much of a job.

Mr. GILLET. At offices paying under \$500?

Mr. McILHENNY. No, sir; over \$500.

Mr. BARTLETT. The limit was \$180 for a while.

Mr. McILHENNY. This is the class of offices paying \$500 and over. In each case, under the regulations, the commission can authorize the Postmaster General to fill these places, but Mr. Burleson did not want to fill these higher positions through the inspectors, and he asked us to join him in asking the President for an Executive order for these examinations, and we have done so. That work is nearly completed.

Gentlemen, I can not urge you too strongly to give us this amount.

Mr. BARTLETT. How much is it?

Mr. McILHENNY. \$10,000. The work of the commission of this kind is not at all dependent on the discretion of the commission. It is not a reaching out after new things, but it is only for necessary routine work which is thrown upon the commission by the public at large and by the increases in the departments. With this fund we will only be complying with the demands made upon the commission. It will be used in complying with the legitimate demands made upon the commission, most of which come through the references of Congress itself, the rest of it coming from the desire of the public to learn what places are available for them to apply for. It is for the proper instruction of the public as to what these places are. That is a part of it, and a part of it is the requirement of enough money to enable the commission to print these examination papers which are necessary in holding the new examinations that are to be held. Now, for instance, I have available for printing to the 1st of April \$9.71. I can not print the announcement of an examination and I can not print any examination papers at all between this and the 1st of April because I have no money. If you gentlemen do not grant me this I shall simply hold up all of that work and delay all of those examinations until after the 1st of April.

Mr. GILLET. How will you have money after the 1st of April?

Mr. McILHENNY. Because then my allotment for the fourth quarter, of \$11,250, becomes available; but all of that is forestalled by the needs of the last quarter.

Mr. Sisson. Do you require \$10,000 for extra printing between this and April?

Mr. McILHENNY. No, sir; but it will take \$10,000 to do the necessary printing between this and the 1st of July.

Mr. Sisson. You need this, then, for the balance of the fiscal year, and not for the time between this and the 1st of April?

Mr. McILHENNY. No, sir; it will take virtually \$5,000, Mr. Wales says, between this and the 1st of April.

Mr. Sisson. Then would not \$5,000 probably tide you over? Would not your next quarter's allotment and an additional \$5,000 carry you through?

Mr. McILHENNY. We would then be going to the 1st of July with a deficiency. We would have to commence to hold up about the 1st of May the printing that ought to be done during that last quarter.

Mr. Sisson. Would the amount of your apportionment after the 1st of April plus \$5,000 tide you over?

Mr. McILHENNY. No, sir; that would take us out of the hole until the 1st of April, but in the last quarter we would just sink right into another bog, and we would have to do just exactly what I did last year, which was to hold up all printing. For instance, here is a long list of forms that have been held up.

Mr. Sisson. You would have to hold the printing up until after the 1st of July?

Mr. McILHENNY. Yes, sir.

I have here a statement showing the amount of printing held up on account of lack of funds that I would like to insert.

The CHAIRMAN. Very well.

(The statement referred to is as follows:)

EXHIBIT No. 1.

Statement showing amount of printing held up at present date on account of lack of funds and chargeable to the quarter ending Mar. 31, 1915.

Title.	Form No.	Number of copies.	Cost.
To complete annual report of commission.....			\$2,048.81
Instructions to Applicants, sixth district.....	1898	5,000	60.00
Instructions to Applicants, seventh district.....	1898	10,000	98.50
Instructions to Applicants, third district.....	1372	5,000	87.50
Instructions to Applicants, twelfth district.....	1372	5,000	57.50
Applications, trades positions.....	1800	50,000	222.00
Circular regarding investigations.....	1698	500	4.50
Instructions to boards on examinations.....	390	400	9.50
Record card, rural carrier.....	1836	20,000	25.50
Letter returning applications, navy yard.....	2618	10,000	16.26
Record temporary appointments.....	1574	2,500	8.48
Record of applications, navy yard.....	2022	20,000	28.67
Admission cards, twelfth district.....	102	5,000	7.50
Record cards, twelfth district.....		5,000	7.90
Declaration of appointee, railway mail.....	124	10,000	57.71
Information concerning reinstatement.....	126	2,000	4.60
Volume Minutes of Commission, bound.....		1	4.50
Instructions to boards.....	2016	1,500	25.50
Cards, rural carrier examinations.....	2106	5,000	8.50

Statement showing amount of printing held up at present date on account of lack of funds and chargeable to the quarter ending Mar. 31, 1915—Contd.

Title.	Form No.	Number of copies.	Cost.
Manual of examinations	302	10,000	\$340.25
Volumes record of examinations made		2	27.80
Applications, departmental services	304	50,000	452.50
Logarithmic tables, pamphlet form		1,000	563.79
Service record form	1785	3,000	10.79
Record of special examinations	1040	5,000	4.80
Typewriter tags		10,000	14.00
Postal answering inquiries	1121	5,000	6.09
Admission card, rural carrier	1459	25,000	34.55
Photo admission card	2094	40,000	50.94
Postal, no examination pending	1433	5,000	10.00
Letter to boards, pending examinations	1622	10,000	23.30
List of eligibles, Engineer Department	1434	10,000	20.00
Applications, unskilled laborer	1642	40,000	123.23
Voucher form, navy yard service	2015	50,000	161.26
Applications, scientific positions	1813	80,000	268.76
Applications, rural carrier	1841	25,000	163.19
Instructions to applicants, rural carrier	1977	30,000	182.08
Total			5,218.20

EXHIBIT No. 2.

Statement showing estimated kinds and amount of printing required from the present date to June 30, 1915, exclusive of Exhibit 1.

Classes of work.	Number of copies.	Cost.	Classes of work.	Number of copies.	Cost.
Publications, information circulars, and instructions to applicants, etc.	228,000	\$6,240.22	Examination material, continuation sheets,		
Application blanks	434,000	2,727.44	scratch paper	440,000	\$611.66
Vouchers and certificates	173,300	472.73	Letter heads	115,000	264.08
Postal cards, admission cards, etc.	195,000	291.97	Books bound	39	95.10
Record cards	289,900	455.36	Binders	14	91.77
Guides and folders	17,000	115.67	Office forms, blanks, posters, letter forms	477,500	1,206.61
Newspaper announcements		665.90	Pads, memorandum, scratch paper	1,300	40.34
Examination questions		2,611.86	Miscellaneous designation blanks, circulars, etc.	18,700	67.67
Photolithographic work		197.47	Total	2,390,753	16,711.81
Reports of ratings		262.94			

Printing and binding for fiscal year 1915.

Estimated cost of work already ordered from the Government Printing Office	\$33,740.29
Estimated cost of work held up for lack of appropriation	5,218.20
Estimated cost of work required to June 30, 1915, exclusive of work held up for lack of appropriation	16,711.81
Total	55,670.30
Present appropriation	45,000.00
Estimated deficit to June 30, 1915	\$10,670.30

FEBRUARY 23, 1915.

Hon. JOHN J. FITZGERALD,

Chairman Committee on Appropriations, House of Representatives.

MY DEAR MR. FITZGERALD: During my testimony before your committee yesterday, upon the request of the commission for a deficiency appropriation of \$10,000 for printing, I omitted to point out a fact which illustrates the un-

usual demand upon the commission at this time for information regarding examinations; this is, that during January the commission had printed the usual number of manuals of examinations, 70,000. Last year that number was ample to supply all needs. However, the 70,000 copies have been entirely distributed and at least 10,000 more copies are absolutely needed immediately.

Very sincerely, yours,

JOHN A. McILHENNY,
President.

MONDAY, FEBRUARY 22, 1915.

PUBLIC BUILDINGS.

SUPPLEMENTAL ESTIMATES.

STATEMENT OF MR. OSCAR WENDEROTH, SUPERVISING ARCHITECT OF THE TREASURY DEPARTMENT.

The CHAIRMAN. You have three items in House Document No. 1610, Mr. Wenderoth. Are these supplemental estimates?

Mr. WENDEROTH. Do you refer to the estimates for the mail-handling machinery in those three buildings?

The CHAIRMAN. Yes. Are they supplemental estimates?

Mr. WENDEROTH. Yes, sir; they are.

The CHAIRMAN. Then why do the estimates not comply with the law by stating the reasons for submitting them in the letter of transmittal?

Mr. WENDEROTH. That is my fault, for being ignorant of the law. I did not know that was required in transmitting supplemental estimates. I was not familiar with any such requirement.

The CHAIRMAN. The Treasury Department should have been thoroughly familiar with the law.

Mr. WENDEROTH. The letters transmitting these estimates are dictated in my office and are forwarded through the Division of Book-keeping and Warrants. If these supplementary estimates were improperly presented I am responsible.

The CHAIRMAN. You can not submit supplemental estimates except for the purpose of carrying out laws subsequently enacted or when deemed imperatively necessary for the public service, and the letter transmitting the estimates must set forth the reasons in full. Now, you tell me that you did not know of that law in the Treasury Department?

Mr. WENDEROTH. I did not know of it personally. This is my fault.

The CHAIRMAN. I will read you the requirement of the law:

Hereafter the heads of the several executive departments and all other officers authorized or required to make estimates for the public service shall include in their annual estimates furnished the Secretary of the Treasury for inclusion in the Book of Estimates all estimates of appropriations required for the service of the fiscal year for which they are prepared and submitted, and special or additional estimates for that fiscal year shall only be submitted to carry out laws subsequently enacted or when deemed imperatively necessary for the public service by the department in which they shall originate, in which case

such special or additional estimate shall be accompanied by a full statement of its imperative necessity and the reasons for its omission in the annual estimates.

Mr. WENDEROTH. Does that requirement apply to all of the estimates that are not included in the Book of Estimates, regardless of the bill for which they are submitted?

The CHAIRMAN. Yes.

Mr. WENDEROTH. I see; I will remember.

CHICAGO, ILL., POST OFFICE, MAIL-CONVEYING MACHINERY.

The CHAIRMAN. Now, you have an item here of \$12,000 for the installation of mail-conveying machinery in the Chicago post office and courthouse. Have you had an appropriation for that purpose?

Mr. WENDEROTH. There is mail-conveying machinery now in the Chicago building.

The CHAIRMAN. Have you a special appropriation for it?

Mr. WENDEROTH. Not in Chicago; no, sir.

The CHAIRMAN. What is the necessity for this and when did it arise? What is the emergency?

Mr. WENDEROTH. It was brought to our attention by the Acting Postmaster General in a letter addressed to the Secretary of the Treasury under date of January 27, 1915. He refers to a letter from the Post Office Department of July 15, 1914, stating that the department would desire mail-carrying machinery in buildings where the annual receipts are \$500,000 or more, and he transmits reports from postmasters at 32 places. The letter then follows with the statement that as the needs at several places, especially Chicago, Ill., Philadelphia, Pa., and Indianapolis, Ind., are very urgent, "it is recommended that Congress be requested to appropriate funds at this session to cover the cost of installing the devices." In accordance with that request, the letter to the Speaker of the House, of February 15, was sent.

The CHAIRMAN. Is that all the information you have?

Mr. WENDEROTH. It was on that basis that we acted. I have here a part of the report showing the layout, etc. This relates to the places to be connected and the extent of the apparatus. I also have our office estimate.

The CHAIRMAN. What is the necessity for it.

Mr. GILLET. I suppose you do not know anything about the necessity of it, except what the Post Office Department has told you?

Mr. WENDEROTH. Only what I would find by reading this report. We must assume, of course, that it is a matter of convenience and a necessity in the expeditious handling of the mail.

Mr. GILLET. All you know is what it will cost?

Mr. WENDEROTH. I have a statement here.

The CHAIRMAN. You should give us some information that would enable us to form an opinion about it.

Mr. WENDEROTH. I will read this statement, which might be of some assistance. It is from the Post Office Department:

The serious congestion of letter mail that now obtains all the time at the round table can only be relieved by dividing the round table into two sections,

and causing the mail delivered there to be separated East and West. To accomplish this it will be necessary to install a short West belt in the auxiliary section, to reverse the direction of the Adams Street belt, and to provide an additional section of belt on the Dearborn Street side of the floor to connect with the latter. These changes will greatly facilitate the handling of mail and will result not only in a gain of at least 1 minute in time in the delivery of it to the round table—an important consideration on close-connection matter—but also in a further saving in the time of 4 clerks.

The rearrangement of the round table at this office is imperative if letter mail is to be handled expeditiously. The present means were outgrown several years ago and are entirely inadequate. The value of these improvements to this office can not be overestimated. Therefore this office is desirous of bringing about these changes as soon as possible, and will most certainly appreciate any action leading to the early realization of this plan as outlined in the accompanying papers.

Mr. BARTLETT. Some complaint has been expressed on the floor of the House that on account of slack business at the Chicago post office a large number of clerks have been laid off; how about that?

Mr. WENDEROTH. I do not know about that.

Mr. BARTLETT. That statement has been made on the floor of the House two or three times, and it applies to post offices all over the country, owing to a falling off in business.

INDIANAPOLIS, IND., POST OFFICE, MAIL-CONVEYING MACHINERY.

The **CHAIRMAN.** You ask \$25,000 for the installation of mail-conveying machinery in the Indianapolis courthouse and post office.

Mr. WENDEROTH. I have not the corresponding report for Indianapolis. I have a résumé of it, showing the points to be connected, but not a report indicating the necessity. I have our itemized estimate here.

The following is a statement of the extent of the proposed installation at Indianapolis, Ind.:

No.	Kind of apparatus.	Running from—	To—	Length.
				<i>Feet.</i>
1	Belt conveyer, 36-inch.....	Loading platform.....	Pouching section.....	45
2	Basket sweep-off.....	Mailing tables.....	Special delivery section.....	545
3	Tray conveyer.....	Mailing section.....	City section.....	255
4	Belt conveyer, 36-inch.....	Pouching section.....	Loading platform.....	32
5	Belt conveyer, 30-inch.....	City distribution section.....	Parcel post delivery room.....	167

See diagram of workroom, attached.

PHILADELPHIA POST OFFICE, MAIL-CONVEYING MACHINERY.

The **CHAIRMAN.** How about the item of \$50,000 for the installation of mail-conveying machinery in the Philadelphia building?

Mr. WENDEROTH. The statement I made in reference to Indianapolis applies as well to Philadelphia. I have a statement of the points to be connected and our itemized estimate, but no other information with regard to the matter.

The following is a statement of the extent of the proposed installation at Philadelphia, Pa.:

Description of the apparatus required.

No.	Kind of apparatus.	Running from—	To—	Length.
				<i>Feet.</i>
1	Bucket lift.....	City collections.....	Canceled division.....	13
2	18-inch belt conveyor.....	do.....	do.....	59
3	do.....	do.....	do.....	132
4	Tray lift.....	Canceled division.....	Primary separation.....	21
5	18-inch tray conveyor.....	do.....	do.....	116
6	12-inch tray conveyor.....	Primary separation.....	City division.....	172
7	do.....	do.....	do.....	108
8	24-inch belt conveyor.....	Distribution cases.....	Pneumatic-tube station.....	64
9	do.....	do.....	do.....	53
10	do.....	do.....	do.....	147
11	Two 12-inch belt conveyors.....	do.....	do.....	18
12	30-inch bag conveyor.....	Paper cases.....	Dispatching room.....	48
13	do.....	do.....	do.....	93
14	do.....	do.....	do.....	210
15	10 bag elevators.....	do.....	do.....	13
16	30-inch bag conveyor.....	Parcel post.....	do.....	182
17	5 bag elevators.....	do.....	do.....	13
18	12-inch belt conveyor.....	City division.....	Sorting cases.....	21
19	do.....	do.....	do.....	48
20	12-inch tray conveyor.....	do.....	Box division.....	112
21	do.....	do.....	General delivery.....	74
22	do.....	do.....	do.....	108

Conveyors Nos. 1, 2, 3, 18, and 19 to carry loose letters.

Conveyors Nos. 4, 5, 6, 7, 20, 21, and 22 to carry trays of letters.

Conveyors Nos. 8, 9, 10, and 11 to carry bundles of letters.

Conveyors Nos. 12, 13, 14, 15, 16, and 17 to carry loaded mail bags.

HONOLULU, HAWAII, REMOVAL OF WHARF AT QUARANTINE STATION.

The CHAIRMAN. You have an item in House Document No. 1613, as follows:

For the removal of the wharf of the quarantine station at Honolulu, Hawaii, and its recreation, including all necessary new materials, at a new location within the new harbor lines established by the War Department, \$22,000.

Mr. WENDEROTH. We have had a long correspondence with the War Department regarding the Honolulu quarantine station wharf. It appears to have commenced late in the year 1913. On June 8, 1914, the matter was transmitted to the Speaker in House Document No. 1027, Sixty-third Congress, second session. No appropriation was made. I will try to outline that matter as briefly as possible. The record is rather voluminous. At the time we constructed the quarantine station wharf we had a map from the War Department which indicated what we understood to be the harbor lines. We kept our wharf within them. In a letter to the Secretary of the Treasury, under date of May 1, 1914, from the Assistant Secretary of War, the statement is made that our location of the wharf at that time was probably based upon a misunderstanding of lines on a map used in 1905. The statement is also made that we mistook the dredging line for the harbor line. The claim is then made that of the wharf as constructed about 77 per cent, including the whole front, the outer end, and the most important parts, extend beyond the established harbor lines. I have a blue print here which shows the information we used. The War Department claims that this [indicating] was the harbor line, and that we placed the wharf 77 per cent outside the line.

Mr. GILLETT. When did you build the wharf?

Mr. WENDEROTH. In 1905. However, Mr. Chairman, that really does not matter very much.

The CHAIRMAN. Why could you not move the line?

Mr. WENDEROTH. The situation is really a little worse than that, Mr. Chairman. This same letter of May 1 to the Secretary of the Treasury continues by stating:

Regarding the modification of the harbor lines it may be stated that a new system of lines for the harbor was adopted July 21, 1909. In the vicinity of the quarantine wharf the harbor line was moved landward to the limits of the projected harbor improvement, as shown on the accompanying blue print.

The power of the Secretary of War to retire harbor lines when such action becomes necessary in the interest of navigation has been exercised in several cases.

He cites the case at Pittsburgh, Pa. This [indicating] is the new line they have established since 1909. Even if we had originally built the wharf inside the old line we would still be outside the new line, and so the point apparently is not whether we mistook the old line or not, as we are now in the channel, because of the establishment of this new harbor line.

Mr. GILLETT. I do not understand that. Where is the land?

Mr. WENDEROTH. The city is over here [indicating]. These [indicating] are flats which are all under water at high tide. They cut this channel [indicating] through to the sea. There [indicating] is the end of the station. That [indicating] is all under water at high tide except this [indicating]. This [indicating] is the city and here [indicating] are the mountains. This [indicating] is the channel. That part of the channel [indicating] may not be deepened, because our wharf is in the way. That [indicating] is the new harbor line.

Mr. GILLETT. The wharf connects?

Mr. WENDEROTH. Yes, sir; there is a causeway. At high water all of this [indicating] is submerged. This is the new line [indicating], and even though we had completed our wharf inside the 1905 line we would be outside the 1909 line.

Mr. GILLETT. How much did the wharf cost?

Mr. WENDEROTH. I do not have the original cost.

Mr. GILLETT. This means building an absolutely new wharf?

Mr. WENDEROTH. Yes, sir.

The CHAIRMAN. What is the scale?

Mr. WENDEROTH. The total length of the scale is 2,000 feet.

The CHAIRMAN. It is about 1,000 feet from that wharf over across to this side now?

Mr. WENDEROTH. Yes, sir.

Mr. GILLETT. Is this right in the center of the harbor?

Mr. WENDEROTH. Yes, sir.

The CHAIRMAN. There is no communication from the department?

Mr. WENDEROTH. That is a communication on the front page of the document from the Secretary of the Treasury, inclosing the War Department correspondence. Their very great anxiety to have the wharf removed at this time caused the Secretary to transmit the request now.

The CHAIRMAN. Where do you propose to erect the new wharf?

Mr. WENDEROTH. Here [indicating], so as to escape the new harbor line.

Mr. GILLETT. Why was not that in the original estimate?

Mr. WENDEROTH. It was not until January 26, Mr. Gillett, that we received the last and urgent request from the War Department. We intended to allow it to go over until the next session.

MONDAY, FEBRUARY 22, 1915.

QUARANTINE STATION, SAVANNAH, GA.

STATEMENT OF HON. CHARLES G. EDWARDS, A MEMBER OF CONGRESS FROM THE STATE OF GEORGIA.

Mr. EDWARDS. I should like to be heard, Mr. Chairman and gentlemen, on the item as printed in the bill providing for improvements at the Savannah, Ga., quarantine station. The total amount of those items is \$28,500. The estimates submitted in the hearings on the sundry civil bill for 1915, shown in the report, pages 62 and 112, ask for the items which you carry in this bill. In the hearings on page 113 of the report on the sundry civil bill for 1915, Dr. Cofer, who was being heard by the committee, made this statement in reply to a question by the chairman: "How wide is the channel there," referring to the point at the quarantine station. "I do not know, sir. I have been there, too. I would say it is a very narrow channel. As I remember it, I would say it was probably 1,600 or 1,700 feet, but, of course, that is a very narrow channel for deep-water ships."

In point of fact, the channel at that point is only 425 feet wide.

I have here a statement by Mr. Frank W. Spencer, who is a member of the Pilots' Association of Savannah, Ga., in which he says:

This matter—

Referring to the quarantine station—

has been under discussion for some considerable time, and it is my purpose to submit the actual facts now prevailing at the station.

First of all, there is an extremely narrow channel at this point, and all vessels arriving at the station and receiving orders to undergo fumigation are compelled to anchor directly in the fair way of other vessels passing in or out. The channel width, to be exact, is 425 feet, and many of the vessels detained for quarantine purposes require the full width to swing to the tides, thereby creating a source of danger to the port's commerce. The Savannah River with all of its importance is without a single point at which vessels may be accommodated when undergoing quarantine.

Loaded vessels of deep draft have been compelled to proceed to a point about 3 miles above the quarantine station in order to find a suitable mooring, but the fact that these moorings have now rotted away finds the port without any accommodations whatever for deep-draft vessels subject to quarantine detention.

Even light-draft vessels at anchor at the Savannah quarantine station have come to sustain losses through grounding, and it is extremely difficult to prevent some harm to these vessels when so anchored, due to the many shoals on the edge of the channel. It is not possible to reach the quarantine station proper, as the dock is of extremely light construction and would not stand up under a vessel's weight and strain.

When fumigation takes place at the Savannah quarantine station the entire crew of a vessel has no alternative but to camp out on deck for several hours, no matter what the weather conditions may be, as there is absolutely no shelter provided for the men.

That has recently occurred, during this winter, when the weather was very cold there, and the crews of the various vessels undergoing

fumigation had to stay out in the cold until the fumigation was completed. There are no buildings there to accommodate them.

It is evident that the European war will prove to be the cause of an increased number of vessels detained at the quarantine station, and this only adds to the necessity of the improvements which all maritime interests at the port of Savannah hope to see established at this station; if facilities are secured, so will the health of the people be safeguarded, and this should appeal to the citizens in general.

It will be necessary to have increased width in the channel at the quarantine station; a new dock built for the accommodation of the vessels undergoing quarantine, and additional dolphins built near the station for vessels which may not be able to find sufficient space at the dock proper, dredging of course, being necessary in order that these structures may be accessible to all classes of vessels and finally, there should be suitable buildings provided for the accommodation of the men who make up the crews of the vessels undergoing quarantine.

The above facts are expressed by one who has full knowledge of the conditions as they now exist and it is hoped that the remedies herein suggested and advocated may be favorably acted upon without delay.

Respectfully,

FRANK W. SPENCER,
Savannah Pilots' Association.

Here is a letter from the various shipping firms of Savannah:

The undersigned firms, composing the Savannah Maritime Association, who are engaged in the foreign-steamship business, are very much concerned about the conditions prevailing at the Savannah quarantine stations. Numerous complaints are made by the masters of steamers as to the utter lack of facilities to take care of their crews during fumigation. The pilots complain that there is no suitable place at or near the station to moor a vessel, the wharf at the station being decayed and dangerous, and the dolphins about 3 miles above the station having rotted away. At the quarantine station the channel is about the narrowest place in the river, so to anchor vessels in this vicinity, and their swinging with the incoming or outgoing tide seriously endangers navigation.

We particularly call attention to the report of Capt. F. W. Spencer, of the Savannah Pilots' Association. With the enormous foreign business done out of this port, she is certainly entitled to the desired improvements, and we earnestly urge the passage of H. R. 21069 for relief from the conditions now prevailing.

Respectfully,

A. F. Churchill; Southern Shipping Co., by E. A. Armand, president and treasurer; Burg Line, by W. J. Walker, agent; Williamson & Raders; Henry Nanninga Co.; South Atlantic Steamship Line; Strachan Shipping Co., by R. W. Groves, director.

I should like to call the committee's attention to the hearings on the sundry civil bill for 1915 on this particular item, to be found on pages 112, 113, 114, and 115, where Dr. Cofer, in his remarks, specified that these very amounts mentioned in the present bill are needed.

Mr. BARTLETT. You have not said anything about the detention quarters?

Mr. EDWARDS. He did in that hearing, I think.

Mr. GILLET. That is what you mean when you say that there must be a place for the crews?

Mr. EDWARDS. Yes, sir. But one of the worst features is that the channel is so narrow at that point.

The CHAIRMAN. Why is not that a river and harbor improvement?

Mr. EDWARDS. This quarantine station originally was in the hands of the city of Savannah, and at the time the city had it they kept it in fairly good condition. When the quarantine stations were taken over by the National Government, of course this one went over with

them. I think that it was not a matter of navigation to prepare a landing at the quarantine station.

The CHAIRMAN. When the city had it they did not have any additional facilities?

Mr. EDWARDS. The depth at the quarantine wharf when the city had it, several years ago, I take it, was as great as the depth in the channel of the river. The river has been gradually deepened for several years. As I understand, they have some 15 or 20 feet immediately in front of the quarantine station, while in the channel they have a depth of 28 or 30 feet. Savannah is now the second largest port in point of exports on the Atlantic coast, second only to New York in point of exports. I do not think I make any mistake when I make that statement. A boat drawing 30 feet comes up this harbor and it is detained out in the channel because it can not come up to the wharf at the quarantine station.

The CHAIRMAN. How many ships are fumigated in a year?

Mr. EDWARDS. I have not the statistics, but quite a considerable number, which entails great inconvenience and delay to the commerce and is really hurting the port. I think there certainly must have been an implied understanding, if there was not a direct understanding, when the Government took the station over that they would keep it up to conditions that would meet the commercial and other requirements from time to time. I do not think that this committee would want to see the great commerce of the port of Savannah suffer because of failure to expend from \$28,000 to \$30,000 to keep up the quarantine station.

Mr. BARTLETT. Have you a letter from the Secretary of the Treasury about it?

Mr. EDWARDS. I have a letter, not from the Secretary, but from the Assistant Secretary, Mr. Newton, the second paragraph of which reads as follows:

The time is short in which to submit a formal estimate to the House Committee on Appropriations, but this department is in favor of having this work done, as shown by the estimate for \$28,500 which we submitted last year.

The CHAIRMAN. Do they say why they did not submit an estimate this year?

Mr. EDWARDS. No, sir; except the Secretary of the Treasury in a letter to me recently said that an estimate had not been submitted because it had not been asked for by the committee.

The CHAIRMAN. We never asked for any estimates.

Mr. EDWARDS. I will read the letter.

The CHAIRMAN. Sometimes they ask for a thing one year and it is not granted and they do not ask for it a second time.

Mr. EDWARDS. Regardless of what the Secretary of the Treasury may do or how he may feel about it, the station is very much in need of these improvements. I think it is very urgent, and I had hoped that it would be carried in the sundry civil bill, but when the bill was reported it did not carry the item. He says:

In reply—

Referring to a letter of mine dated the 18th of January—

you are advised that H. R. 21033, introduced by you—

That is not the number of the bill; the number of the bill is H. R. 21069—

The CHAIRMAN. That is the bill referred to?

Mr. EDWARDS. Yes, sir—

introduced by you on January 19, has not been referred to this department with request that it report on the same, and it is not customary to submit replies prior to the receipt of requests from the committee.

That is the Secretary's language.

The CHAIRMAN. We do not refer bills to the department.

Mr. EDWARDS (reading):

As stated in your letter, an item of \$28,500 for improvements, etc., was included in the estimates submitted for the 1915 sundry civil bill, but no appropriation was allowed for such work.

Instead of less being needed, if anything, there would be more needed, but the general impression seems to be that \$28,500 would do the work which is so badly needed there.

Mr. BARTLETT. What did you say the condition of the detention quarters is?

Mr. EDWARDS. The condition of the quarantine station generally is simply deplorable. They have no detention quarters there and the buildings are going to rack.

Mr. BARTLETT. When a ship arrives and the passengers can not go into a building, what do they do?

Mr. EDWARDS. There is no place to put them.

The CHAIRMAN. How long since the Government took it over from the city of Savannah?

Mr. EDWARDS. I do not recall, but several years back.

Here is Dr. Cofer's statement. He said that the channel was 1,600 to 1,700 feet wide, when in point of fact it is 425 feet. I am told vessels sometimes swing across the channel, which blocks it. Savannah is some 18 miles from the ocean on the Savannah River.

The CHAIRMAN. They anchor on the bow and the stern; they do not let a vessel swing across the channel.

Mr. EDWARDS. It is not so far from the quarantine station to the sound. In fact, it is just a short way. They have a pretty strong tide in and out.

The CHAIRMAN. The only time a vessel swings at anchor is when it is anchored from the bow or the stern alone.

Mr. EDWARDS. You asked a question a while ago as to how many vessels there were. In the 1915 hearing this question was asked by the chairman of the committee of Dr. Cofer:

How many vessels over 18 feet have you had there in a year?

Dr. COFER. I imagine they have quite a number. I can not answer that question until I look up my record; but I imagine there must have been a number of them or the pilots would not have gone after us in this way.

There has been a very persistent demand from the pilots because there has been so much inconvenience, delay, loss of time, and danger to the ships. It affects insurance rates.

With reference to the detention quarters, the chairman asked Dr. Cofer this question:

Then you are asking for detention quarters for crews of infected vessels, \$7,500. What have you now?

Dr. Cofer answered:

We have not anything of that sort. I will give you a list of what we have there. We have a medical officers' quarters, a kitchen and dining room, laundry, attendant's quarters, hospital, disinfecting house, engine house, boat-house, and high tank and trestle. At the present time I suppose we could put up 10 people in detention outside of hospital facilities, but we have now big ships coming there for cotton that have crews of 65 and 70 men, and we think we ought to at least have a house for 50 people.

That shows the real lack of facilities at this station.

The CHAIRMAN. What do you do now?

Mr. EDWARDS. If we have to detain anybody we hold the ship there. That is a deplorable condition and absolutely cripples the commerce of the port.

In answer to a question by Mr. Gillett:

How often does that happen?

Dr. Cofer said:

It does not happen very often, sir. Last year we held one ship. We could not take the people off and we had to hold her.

They had no place and they just held the ship there.

Mr. Gillett further asked the question:

Many ships do not come in there from yellow-fever countries, do they?

Dr. COFER. Yes, sir; in the summer time; and the nitrate ships come all the year round. We have, on an average, two of those a month. They come from distinctly yellow-fever countries.

With reference to the wharf, the condition of that wharf is such that it is practically no wharf at all. It is a shell, you might say. There have been no recent improvements. There is a little runway and the wharf is too rotten for the vessels to tie up to, and they get absolutely no real service from that wharf in its present state.

As to the dredging, the statement of Dr. Cofer reads:

The annual appropriation for "Repairs and preservation of public buildings," 1914, contains this authority: "Government wharves and piers under the control of the Treasury Department, together with the necessary dredging adjacent thereto."

Dr. Cofer refers then to pages 112 to 115 of the 1914 hearings, where it may be found. The chairman asked this question:

How long have they been anchoring them in that way?

Referring to the anchoring in the channel, and Dr. Cofer said:

We have never had mooring equipment and we have just made them stay out, and they say it affects their insurance and that sometimes when the winds and the seas come up on short notice while we have a vessel being fumigated there she might be washed ashore.

Mr. BARTLETT. Where do you get the estimates as to the amount?

Mr. EDWARDS. You will find them on page 62 of the 1915 hearings on the sundry civil bill. It gives the total amount estimated, \$28,500, and says:

The above work is all reported by the Surgeon General of the Public Health Service to be necessary, and the estimate for each item is as follows:

Piling clusters for mooring vessels of deep-sea draft, \$10,000.

Dredging near station (Savannah) wharf, \$5,500.

Widening and strengthening quarantine wharf, constructing landing break-water, etc., \$5,500.

Detention quarters for crews of infected vessels, \$7,500.

The CHAIRMAN. They have an annual appropriation of \$100,000 for repairs of this character?

Mr. EDWARDS. You mean the engineers?

The CHAIRMAN. No; I mean for the quarantine stations.

Mr. EDWARDS. If they have, they have used it elsewhere. We have been unable to get the dredging or other improvements done. I have gone to the Engineers' office in the War Department and insisted that they perhaps had authority to widen the channel, and they say no, it is simply a quarantine matter. I have tried to get an item in the river and harbor bill for dredging that point, but I have been unable to do it on the ground that it is not in the interest of navigation.

We have a great port; we have great commerce; and we feel that the quarantine station ought to be kept up, certainly to meet the present conditions and to accommodate the commerce. We feel that later on we ought to have a new quarantine station out-and-out, perhaps, built nearer to the city, but in the meantime the quarantine station ought to be maintained to respond to the needs of the port.

The CHAIRMAN. How far is this from the city?

Mr. EDWARDS. I could not say exactly, but about 10 or 12 miles out. It is a very urgent matter and I hope sincerely that the committee will see fit to include it in this bill.

In answer to the chairman's question a while ago as to why it was not carried in the 1915 bill, on the suggestion of some member of the committee, or perhaps by committee action, the Public Health Service is making an investigation as to the needs of the quarantine stations throughout the country generally, but while we wait for this report our commerce is being affected and the health of the community is jeopardized. We think that we have ample authority here, with the estimates and the hearings on the 1915 bill, so that the committee could, with propriety, include this amount in the deficiency bill to take care of us temporarily. It is probable that the committee that is now out investigating the quarantine stations throughout the country will report for a new quarantine station, out and out—I do not know that they will, but we hope they will—but even if they should do that we have to have that wharf and other improvements until we get a new station if a new one were favorably reported for.

I thank the committee for this hearing and I hope that you will take care of the needs of our great port.

MONDAY, FEBRUARY 22, 1915.

WASHINGTON MARKET CO. RENTALS.

[See p. 59.]

STATEMENT OF HON. BEN JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY.

The CHAIRMAN. Mr. Johnson, the District Commissioners have submitted an item for the reimbursement of the Federal Government from the District revenues on account of Washington Market Co. rentals in the amount of \$158,437.50, and I think you either wrote to me or talked to me in reference to the question of interest on this amount.

Mr. JOHNSON. Yes; I spoke to you about interest on that sum. In that connection, let me say that two weeks ago, or maybe three weeks ago—I will not be exactly accurate as to the time, but that is approximately correct—Mr. Tweedale, the auditor for the District of Columbia, came to the District of Columbia Committee rooms to see me about the matter and stated that the commissioners desired to pay their indebtedness to the United States on account of the market-house rents. I took up with him the matter of interest, and he at first said that in his opinion it did not bear interest. While we were talking about it Mr. Spalding, the committee's accountant, came in; and then he, Mr. Tweedale, and myself went into the matter of interest and consulted the statutes relative to the subject. Mr. Tweedale then unhesitatingly admitted that the amount which you have just named did bear interest.

The CHAIRMAN. Have you a reference to the statutes on the subject?

Mr. JOHNSON. I have.

The CHAIRMAN. My recollection is that they stated that there was some contention that it ought to bear interest, but that they did not agree to it.

Mr. JOHNSON. I do not now recall just which particular statute it was that changed the opinion of Mr. Tweedale from his first contention that the amount did not bear interest to his final conclusion that it did bear interest; but I have with me a memorandum giving the dates and volumes of United States Statutes at Large, in which all of these decisions can be found. The first one I have is the act of February 11, 1901, Thirty-first Statutes at Large, page 766; the next one is the act of July 1, 1902, Thirty-second United States Statutes at Large, page 616; the act of March 3, 1903, Thirty-second United States Statutes at Large, page 981; the act of April 27, 1904, Thirty-third United States Statutes at Large, page 391; the act of March 3, 1905, Thirty-third United States Statutes at Large, page 915; the act of June 27, 1906, Thirty-fourth United States Statutes at Large, page 517; the act of March 2, 1907, Thirty-fourth United States Statutes at Large, page 1157; the act of May 26, 1908, Thirty-fifth United States Statutes at Large, page 311; and the act of March 3, 1909, Thirty-fifth United States Statutes at Large, page 727.

Now, if you gentlemen will indulge me for just a few moments, I can give you a concise history of this matter.

By an act of Congress, of date May 20, 1870, Congress leased to the Washington Market Co. certain premises at Seventh Street and Pennsylvania Avenue for a term of 99 years. The rental fixed in the act of Congress was \$25,000 a year, and that rental was to be disbursed by the Commissioners of the District of Columbia among the poor of the District of Columbia. Within a few months after the granting of this charter, the city council of the city of Washington, with or without right, reduced this rental to \$20,000 a year. Within a few months after that the same body, with or without right, further reduced the rental to \$7,500 a year. By an act of Congress of February 21, 1871, the city of Washington, the city of Georgetown, and the county of Washington were merged into the one municipal corporation of the District of Columbia. Then the principal officers of the District of Columbia were the principal

officers and stockholders of the Washington Market Co.; so you can see how the local legislature or municipal council, if you choose to call it that, was induced to reduce the rent upon this property.

In some litigation between the Washington Market Co. and its stall masters, the local court decided that the reduction of the rent had been legally made. Therefore, that question is *res adjudicata*, and the rent now is \$7,500 a year. Since 1870 the District of Columbia has collected this \$7,500 a year, but it has not given it to the poor of the District of Columbia. Instead, it has treated it as a revenue, and since 1878 the Federal Government has put up \$7,500 a year, on the half-and-half plan, to match the \$7,500 collected from the Market Co. In addition to that, the District of Columbia has been collecting from the Washington Market Co. something like \$3,000 or more a year in the way of taxes, and since 1878 the Federal Government has also matched that amount on the half-and-half plan; so that since 1870, according to a recent decision of the Comptroller of the Treasury, the District of Columbia has gotten all of this rent when it was entitled to none of it. The \$158,000 that you have just mentioned is gotten at in this way: The Comptroller of the Treasury recently decided that the Washington Market Co. had during all this time been collecting this money without right and appropriating it to its own use, but that it could not be adjusted without legislative action beyond the term of the present Auditor for the State and Other Departments. Now, the question arises, Should they under the statute pay interest upon this amount, or should they, as an additional gratuity, be relieved of the payment of interest? The interest amounts to thirty-six thousand and some odd hundred dollars.

As I have just said, the District of Columbia is not now asked to refund any of these wrongful collections which have been annually made since 1870, except this \$158,000. The statutes explicitly provide that the District shall pay interest upon it; and Mr. Tweedale, upon the occasion referred to a moment ago, unhesitatingly admitted to me and Mr. Spalding, the committee's accountant, that in his opinion this fund does bear interest.

Mr. BARTLETT. Something was said about compound interest on this amount; does it bear compound interest?

Mr. JOHNSON. It bears compound interest under the statutes I have just referred you to, and Mr. Tweedale expressed his entire belief that that was correct. I have not looked up the subject, but without looking it up particularly, it is my opinion that the present floating indebtedness of the District of Columbia bears compound interest at the rate of 2 per cent per annum, and the interest on this \$158,000 has been figured at the rate of 2 per cent per annum.

Mr. BARTLETT. Have you the exact figures?

Mr. JOHNSON. In looking over the papers I brought over here with me, I now find the exact amount of interest that is due; it is \$36,546.87.

Mr. GILLET. Is that compound interest?

Mr. JOHNSON. Yes; I suggest to the committee that they bear in mind that the District of Columbia is now asked to pay nothing, either principal or interest, except that they pay it out of money which, according to the recent decision of the Comptroller of the

Treasury, they collected without right, and they are asked to pay the principal and interest out of money that belongs to the United States. If they pay this principal and interest, they will pay none of it out of their own money, but they will pay it out of money of the United States which they now wrongfully have in their hands. When I say "wrongfully," I mean according to the opinion recently rendered by the Comptroller of the Treasury.

INDEBTEDNESS OF THE DISTRICT OF COLUMBIA TO THE UNITED STATES
FOR INTEREST ON BONDS.

The CHAIRMAN. There was another matter that you wrote about—the indebtedness of the District of Columbia.

Mr. JOHNSON. Do you now refer to my letter to you of January 16, 1915?

The CHAIRMAN. Yes, sir. That was not submitted by the commissioners. I will put the whole of your letter in the record.

(The letter referred to is as follows:)

COMMITTEE ON THE DISTRICT OF COLUMBIA,
HOUSE OF REPRESENTATIVES UNITED STATES,
Washington, D. C., January 16, 1915.

HON. JOHN J. FITZGERALD.

*Chairman Committee on Appropriations,
House of Representatives.*

My DEAR SIR: The accountant authorized by the House to aid the District Committee in inquiring into the accounts between the United States and the District of Columbia, found that the United States had paid more than one-half of the interest on the 3.65 bonded indebtedness of the District of Columbia.

The Secretary of the Treasury designated one of his own expert accountants (Mr. T. A. Hodgson) to check up the work of the committee accountant for the purpose of seeing whether or not it was correct. That Treasury expert accountant reported the matter as absolutely correct.

Upon my solicitation the Secretary of the Treasury then submitted the question to the Comptroller of the Treasury for the purpose of seeing that not only the amount was right, but that, according to law, there could no mistake about the correctness of the indebtedness. We therefore have the matter settled from the two standpoints—law and figures.

On the 15th day of last December the Comptroller of the Treasury rendered an opinion in which he said:

"Of the total of \$18,069,106.46 set apart for this purpose the sum of \$186,343.20 was received through deposit because of transactions growing out of the exchange of 3.65 bonds for board of audit certificates or the exchange of coupon bonds of that issue for registered bonds of the same, and represented accrued interest on the bonds exchanged which was figured in the value of the bonds and collected, but not being then due and payable was deposited to meet the said interest when demanded. This amount was not contributed by either the United States or the District and must therefore be excluded from the proportional contribution of either.

"This exclusion leaves the sum of \$17,832,763.26 contributed jointly by the United States and the District toward the payment of interest on these bonds from date of first issue to and including June 30, 1911. Of this amount \$16,313,383.23 has been so contributed since the passage of the organic act of 1873, and has been charged one-half against the revenues of the United States and one-half against the revenues of the District, in accordance with said act, leaving \$1,509,380.03 contributed prior to the passage of the said act which has never been adjusted on the half-and-half basis.

"Of this amount the District revenues contributed \$198,622.79, as against \$1,370,757.24 contributed by the United States. The proper proportional share of the United States on a half-and-half basis is \$784,680.01. The United States therefore advanced during this period to the District on account of this interest \$586,067.22 in excess of a proportional one-half, for which the District revenues were liable, and which has never been reimbursed from or charged to District revenues."

"These figures embrace the entire period between the passage of the acts of 1874 and 1878 and include in the application of the half-and-half principle the amounts advanced for the years 1877 and 1878. * * *

"Having paid more than 50 per cent of said interest the United States had a just claim against the District for the amount of the overpayment which it made. * * *

"Upon such adjustment the balance due on this account from the District to the United States at the close of the fiscal year 1878 was \$586,067.22½ as hereinbefore stated. * * *

"There is nothing in the organic act which expressly, or by sufficiently founded implication, remits or cancels any part of the then existent indebtedness of the District, either to the United States or to others.

"If the revenues due and uncollected or unexpended when the organic act took effect were insufficient in amount to pay all obligations of the District then due, including amounts due the United States, that fact might operate to limit or curtail payment of the said obligations and necessitate some further provision for their entire liquidation, but it could not operate to cancel or release or to affect in any way the existence of the obligations themselves, nor do I find any subsequent legislation which in terms deals with this indebtedness to the United States. * * *

"By way of summarizing, I conclude that the District is indebted to the United States on account of advancements to pay interest on the 3.65 bonds for the fiscal years 1877 and 1878, in the sum of \$501,628.62, or, for the entire period antedating the passage of the organic act, in the sum of \$586,067.22½."

The opinion of the Comptroller of the Treasury covers 31 closely-written typewritten pages. Much of it consists of statutes quoted and a recital of the history of the transaction. The gist of the comptroller's opinion is in the above quotations.

By law the floating indebtedness of the District of Columbia to the United States bears interest at the rate of 2 per cent per annum, and this amount of \$586,067.22½ is part of that floating indebtedness.

Referring to the conversation recently had in the House restaurant among yourself, Bob Page, and myself, I give you these figures and these quotations from the comptroller's opinion with the hope that you will make provision in the sundry civil appropriation bill for the reimbursement to the United States by the District of Columbia.

Very truly, yours,

BEN JOHNSON.

The comptroller in his opinion said:

By way of summarizing I conclude that the District is indebted to the United States on account of advancements to pay interest on the 3.65 bonds for the fiscal years 1877 and 1878 in the sum of \$501,628.62, or, for the entire period antedating the passage of the organic act, in the sum of \$586,067.22½.

Mr. JOHNSON. That much is due the United States, according to the opinion rendered last December by the Secretary of the Treasury, on account of money advanced to the District of Columbia by the United States with which to pay interest on the District of Columbia's 3.65 bonds, and that decision was rendered strictly upon the half-and-half plan.

Mr. GILLET. Now, you say that is according to the opinion of the Secretary of the Treasury; has any previous Secretary of the Treasury ruled the other way?

Mr. JOHNSON. This is the first time it has ever been submitted.

The CHAIRMAN. Mr. Johnson has had an expert accountant at work on this matter, and he brought this question up, as I understand it. The matter was submitted to the Comptroller of the Treasury and he made an examination and wrote an opinion on it.

Mr. GILLET. How did this ever happen?

Mr. JOHNSON. The District of Columbia found itself without funds with which to pay the interest on its bonded indebtedness and the United States Government advanced this money, with the stipula-

tion that the United States should be reimbursed. It was overlooked and the reimbursement has never been made, and this is the first opportunity that has been given for that reimbursement.

Mr. GILLETT. Just overlooked?

Mr. JOHNSON. Yes.

The CHAIRMAN. Perhaps I misunderstood you. I have talked with you about this on several occasions. Is this what you contend is due, \$586,067.22?

Mr. JOHNSON. That is what I contend is due, and that is what the Comptroller of the Treasury says is due.

The CHAIRMAN. I had an idea that that was only half the amount.

Mr. JOHNSON. That amount is only half of the sum advanced.

The CHAIRMAN. If I understand correctly the contention about the interest—from time to time since 1902 Congress has provided for advances from the Federal Treasury for certain things in the District and for repayment of the sums so advanced with interest at 2 per cent. Are those the statutes to which you refer?

Mr. JOHNSON. Yes; except those statutes run back to 1901.

The CHAIRMAN. Yes; I think that is right—the fiscal year 1901.

Mr. GILLETT. This, of course, is all done on behalf of the United States. Has anybody on behalf of the District examined this, so that it is not an entirely ex parte matter?

Mr. JOHNSON. It is not ex parte to this extent: The Committee on the District of Columbia, of which I am chairman, employed an accountant to go into this subject and the Secretary of the Treasury assigned one of their accountants to go into it, and, in so far as I am advised, there is no contention upon the part of anybody that these figures are not correct. The Comptroller of the Treasury has, I understand, verified them as he went along considering this matter before he rendered the opinion last December.

Mr. GILLETT. While we are, in a sense, representing the District of Columbia in a certain measure, we are really representing the United States, and so is the Treasury Department; and it would seem to me, before undertaking to decide this question, it would be but ordinary justice and fairness to allow the other side which is affected by it to investigate it and see if they can point out any error. How does that strike you?

Mr. JOHNSON. I am entirely satisfied that they hope to find no error in it. They did not participate in the finding of this amount in the overhauling of these accounts, because they had nothing to make by it and everything to lose by what was found; but it is quite an easy matter for you to telephone now and have the auditor for the District of Columbia come up here.

I hope you will put the \$586,000 in this bill. While we have computed interest on this \$586,000 and find it amounts to something like \$1,000,000, I myself entertain at least some little doubt as to whether or not that is right; and you will catch the suggestion very quickly when I say that this amount of money was advanced to the District of Columbia in the nature of a gratuity, and upon the legal principle the question as to whether or not a gratuity bears interest might come in here.

Mr. GILLETT. Why a gratuity?

Mr. JOHNSON. Because at the time of the advancement no provision was made for the payment of interest.

Mr. GILLETT. In what year?

Mr. JOHNSON. That was in 1877 and 1878, and the statutes providing interest came along after that. The question of interest, as a legal proposition, is for you gentlemen to weigh before you put it in the bill, but I should be very much disappointed if the \$586,000 should not go into the bill, because there is no question but what it is due and that this amount has been ascertained by the Comptroller of the Treasury recognizing in the fullest way the half-and-half principle.

MONDAY, FEBRUARY 22, 1915.

PENSION OFFICE.

PURCHASE OF LABOR-SAVING MACHINERY—CHANGE IN METHOD OF ISSUING PENSION CHECKS.

STATEMENTS OF MR. HERBERT D. BROWN, MR. HERBERT S. WOOD, AND MR. WILSON E. WILMOT, OF THE EFFICIENCY DIVISION OF THE CIVIL SERVICE COMMISSION.

The CHAIRMAN. Mr. Brown, you desire to submit some matters to the committee?

Mr. BROWN. If you please, Mr. Chairman.

Some time ago the Secretary of the Treasury and the Treasurer of the United States asked the division of efficiency to work out a better scheme for clearing checks in the Office of the Treasurer. In the course of that work several questions arose which made it necessary to inquire into the method of issuing and auditing pension checks. We found that there were in the Pension Office 280 people engaged in the work of preparing pension vouchers, issuing pension checks, and making the required administrative examination. It seemed to us that that work should be done with fewer people.

The CHAIRMAN. How many checks are handled in a month?

Mr. BROWN. About 260,000 checks a month.

The CHAIRMAN. About 1,000 checks a person?

Mr. BROWN. About 1,000 checks per clerk per month. We asked the Secretary of the Interior and the Commissioner of Pensions for permission to see if we could work out a more economical method of issuing those checks and of making the administrative examination. That permission was granted to us. We have just recently finished our investigation. We believe that with the introduction of better machinery than they have and the changing of their present method—

Mr. GILLETT (interposing). What do you mean by "machinery"—real machinery or changing the system?

Mr. BROWN. Both, Mr. Gillett; a change in the present method and also the introduction of better machinery.

Mr. GILLETT. Do they use some machinery now?

Mr. BROWN. Yes. They use the addressograph. The addressograph is an excellent machine, but the one they use is a hand-fed machine, and improved models are now available. The principal improvement, we believe, can be made through changing the methods of doing the work. We believe that the record cards and addresso-

graph plates should be kept, for instance, by rates of pension rather than by acts. They are now kept by pension acts.

Mr. GILLET. Do they not have some reason for doing it in that way? I was thinking, for instance, that sometimes we correspond with them about these cases.

Mr. BROWN. They keep the records by acts for statistical purposes, but we believe that the statistics can be produced in other ways more economically. We have just finished a test of a new method, and we think we can reduce the cost of making payments in nonvoucher cases about \$60,000 a year.

Mr. GILLET. And accomplish the same results, have the same statistics, etc.?

Mr. BROWN. Yes; better results. In voucher cases, we believe we can save about \$40,000 a year. To make this saving it will be necessary to spend about \$30,000 for machinery and equipment, and we shall be glad if you will give the Pension Office that amount to enable them to make this saving.

Mr. GILLET. Are they in accord with you as to the results?

Mr. BROWN. I think the commissioner has been very friendly to us.

Mr. GILLET. I do not mean that; but does he agree that you can accomplish the results?

Mr. BROWN. We are very sorry that the commissioner is not here to-day. We succeeded in making our final tests on this work the latter part of last week. We invited the commissioner and his principal assistants to come to our office and see the way in which we were doing the work—to inspect our test runs. They did so, and I believe they were pleased with the results. Yesterday we made inquiry here and found that these hearings were to be closed to-day, and so we asked the commissioner if he would not take some decisive action showing his sympathy with the work, so that this committee could know that he was with us. He said that it was impossible for him to grasp all the details in so short a time, but that he would try to give us an answer by Wednesday. I told him that the hearings would then be closed, but he said he could not act hastily on so important a matter.

What we should like to ask of your committee is this: Give the Commissioner of Pensions \$30,000 to be used in installing the new system if he approves of it after he has had time to give it full consideration. We feel that the new plan will save at least \$100,000 a year.

When this work in the Pension Office was undertaken, Mr. Wilmot of our staff was assigned to it, and he has worked out most of the details. I shall be glad if you will permit him to make a brief statement.

Mr. WILMOT. As Mr. Brown has just stated, there are about 280 persons engaged in issuing pension checks and keeping the roll of pensioners on which those checks are issued. The work in the main comprises, first, the preparation each month of a schedule or list of pensioners, which serves to notify the disbursing clerk that the persons listed on the schedule should be paid, and also to notify the auditor that the persons listed thereon are entitled to pension payments; second, the preparation of checks in accordance with the schedule, partly by the use of mechanical printing machines; third,

recording the amount of payment on the roll cards; and, fourth, a comparison of the work done. The names and certificate numbers are printed on the schedules and on the checks and stubs, and the addresses are printed on the checks and stubs by mechanical means—by the use of an addressing machine which prints from plates. This part of the work does not engage the energies of more than four persons. The rest of the work consists in completing the checks by putting in the amounts in words and figures, and completing the schedule by putting in the rates and the amounts of the checks. This handwork, of course, takes a large number of people. Then there is the work of seeing that the checks and stubs are in agreement and that the checks are drawn in accordance with the schedule. It is also necessary to post by hand to the roll cards the amount of each quarterly payment to each pensioner. The records and printing plates are arranged alphabetically, so that the rates are mixed up promiscuously; \$20, for instance, following \$25, and this in turn perhaps being followed by \$60. That is the reason for having to insert the amounts by hand. Now, we found that over 99 per cent of the pensioners are paid at 28 different rates only—that is to say, probably 300,000 draw \$36 a quarter, perhaps 70,000 draw \$90 per quarter, and there are a large number of pensioners drawing each one of the other 28 principal rates.

Mr. BARTLETT. You would do that work by classifying them instead of handling them individually?

Mr. WILMOT. Yes, sir. Our proposal is that instead of arranging the plates alphabetically they be arranged with like rates placed together—that is, that they be classified by rates. That would make it possible to use checks with the amount already printed in, and would enable the office to complete the checks entirely by the printing machines, and thus eliminate the large amount of hand work. It would also greatly minimize the danger of errors due to misplaced plates and misplaced roll cards. Under the present system if a plate is misplaced only very slightly, it may cause the pensioner to get the wrong payment; but under the system that we propose a slight misplacement of a plate would not cause a pensioner to be paid the wrong amount, since all the plates carrying like amounts would be together. The check and the stub are now printed by separate processes, so that it is necessary to compare them. We propose to use a machine which will print the check and stub simultaneously, and in that way eliminate the necessity for comparison. The schedule or list of pensioners is made partly by machine and partly by hand, the names of the pensioners and the certificate numbers being placed on by the machine, while the entering of the rate and amount is handwork. That takes about 9 clerks. We propose to dispense with the schedule, to substitute as a notification to the auditor an original roll, and to correct that from time to time instead of giving the auditor a complete new roll every month. The rearrangement of the plates by rates and the issuance of the checks by like amounts will also help the adding up of the checks, since they can be counted to determine the totals instead of listed by the adding machine. It will also help the auditor materially, because the auditor will not have to compare the checks received by him with the items on the schedule arranged promiscuously in varying amounts. It is proposed that the roll cards in the auditor's office shall be ar-

ranged by rates in the same way as the roll cards in the Pension Office. These rearrangements and the use of the new printing machine which we suggest be purchased for the work will eliminate the large amount of handwork that is now done in completing the checks, and also a very large part of the comparison which is made necessary by the fact that the checks and stubs and schedules are not printed by simultaneous process.

The CHAIRMAN. How much will it cost?

Mr. WILMOT. The equipment and labor involved in preparing the new records would cost about \$26,000.

The CHAIRMAN. How long would it take to install it?

Mr. WILMOT. About eight months. It would probably be a year before the full measure of the saving would be had.

Mr. BARTLETT. Have you experimented with this system?

Mr. WILMOT. Yes, sir; we have experimented with it in our office with a collection of 5,000 names, and we have actually issued and audited pension checks to the extent of 35,000 without any errors. We are satisfied that the system will work.

Mr. BROWN. We propose, if given this appropriation, to take, say, 100,000 pensioners and issue checks to them under the new method, and let the Pension Bureau compare these checks with the records before mailing and thus prove to the entire satisfaction of the commissioner that the new system is better and more economical than the old one. Then, if he is entirely satisfied that the new system is better than the old one, we will ask him to extend it to the remainder of the office. That is practically the method we followed in the Treasury, and we found it rather effective.

The CHAIRMAN. Have you gone over this with the Commissioner of Pensions?

Mr. BROWN. Unfortunately our experimental work was finished so late last week that the commissioner has been unable thus far to study our plan very thoroughly. We went over the plan with him and asked him if he would write a letter to the committee, or ask the Secretary of the Interior to write a letter to you, stating that he had no objection to the appropriation being made, that he would cooperate with us, and that if the new system proved to be better than the old one he would install it. He objected to writing such a letter, saying that he could not take hasty action on so important a matter, but he said he had no objection to our laying the matter before you. I have no doubt that he will help us in every way that he can, just as he has in the past.

The CHAIRMAN. How much will be required to do this experimental work?

Mr. BROWN. We could get along with \$1,000 for the experimental work.

Mr. WILMOT. About \$4,000 would demonstrate in actual work at the Pension Office whether or not the system will effect the saving that we believe it will.

Mr. BROWN. We are asking for this appropriation now because we will not have another chance until next year. We dislike to postpone the saving for another year.

Mr. WOOD. Even if the system did not succeed, the equipment purchased would pay for itself under the present system; that is,

the Pension Bureau could, with the new machinery and other equipment proposed, make a saving under the present system of about \$10,000 a year—enough to repay the outlay in about three years.

Mr. BROWN. There is another matter to which we should like to bring your attention. It has to do with the question of paying pension checks, and I should be glad if you would let Mr. Wood make a brief statement.

DISBURSING OFFICERS' STATEMENTS OF OUTSTANDING CHECKS.

Mr. WOOD. Mr. Chairman, the law now prescribes that disbursing officers shall at the end of every year render to the Secretary of the Treasury a statement of the checks that have been outstanding and unpaid for three years or more. Under the Keep Commission's revision of auditing methods each auditor has the information necessary to make such a statement. He is required to ascertain and record the outstanding checks on each disbursing officer's account. He does this by comparing the paid checks with the vouchers, which bear a record of the checks issued in payment. He is then required by means of this list of outstanding checks to reconcile the Treasurer's statement of the disbursing officer's account with the disbursing officer's statement of his account with the Treasurer.

The disbursing officer also prepares a list of outstanding checks by comparing the Treasurer's statement of the numbers and amounts of checks paid with the disbursing officers' lists of checks issued. The auditors' lists, being based on original evidence and on a comparison of names as well as check numbers, are obviously the more reliable and will serve every purpose for which such lists are needed.

About a year ago, under an agreement with the Treasurer and the disbursing officer for the Pension Bureau, the Auditor for the Interior Department undertook to furnish the required list of outstanding pension checks, and the Treasurer was relieved of the necessity of making a numerically arranged statement of pension checks paid. We are convinced that the auditor can furnish such a statement satisfactorily (as he says he can), but he has not yet done so. The disbursing officer has become impatient over the delay and is demanding that the Treasurer furnish him with a list of checks paid each month arranged in numerical sequence. The furnishing of that list will cost the Treasurer's office about \$15,000 a year, as nearly as we can estimate it, and it will cost the disbursing officer at least \$12,000 a year to compare the Treasurer's list of payments with the record of checks issued and ascertain the outstanding checks.

As already stated, the list of outstanding checks produced by the disbursing officer at this expense will not be so accurate as the list produced by the auditor, because the disbursing officer's list is necessarily based on secondhand evidence and is erroneous whenever an error is made by the Treasurer's office in entering a check number on the statement of paid checks, unless the error can be detected by the amount of the check. The auditor's list, on the other hand, should be correct, because he gets first-hand evidence of payment and should compare not only the number of the check, but the name on the check with the name and number on the voucher.

Now, it seems to us that this duty which was imposed upon the disbursing clerk back in the sixties, when the disbursing clerk was

the only officer having the information, should now be assigned to the auditor, who has the original sources of information. If this is done the expenditure of from \$25,000 to \$30,000 a year in the Pension Office and the Treasurer's office, already referred to, would be avoided. Not only that, but there is an accumulation of a year's back work, on which a like saving would be effected.

We are submitting a draft of a change in the law which is general, but which can, if you think best, be limited for the present to the reporting of outstanding pension checks, since no saving can be made immediately except in connection with the pension account. I have a draft of the law here and will read it:

At the termination of each fiscal year each Auditor of the Treasury shall report to the Secretary of the Treasury all checks issued by any disbursing officer of the Government as shown by his accounts rendered to such auditor, which shall then have been outstanding and unpaid for three years or more, stating fully in such report the name of the payee, for what purpose each check was given, the office on which drawn, the number of the voucher received therefor, the date, the number, and the amount for which it was drawn, and, when known, the residence of the payee. And such reports shall be in lieu of the returns required of disbursing officers by section 310 of the Revised Statutes.

This draft follows the language of section 310 of the Revised Statutes, except that it imposes upon the auditor the duty of furnishing the list of outstanding checks. If the law is amended as proposed, there will be nothing, so far as we can ascertain, requiring the disbursing officer to prepare a list of outstanding checks.

Mr. BARTLETT. Did you say that would effect a saving of \$35,000?

Mr. WOOD. A saving of between \$25,000 and \$30,000 a year.

The CHAIRMAN. This would affect every department of the Government, would it not?

Mr. WOOD. Yes, sir. We do not, however, propose any change in the method of listing the paid checks of any disbursing officer, except the disbursing clerk for the Pension Bureau.

The CHAIRMAN. Would it affect the others?

Mr. WOOD. It would relieve every disbursing officer of the duty of making statements of outstanding checks and would impose that duty on the proper auditor. It would not save any work, however, unless the disbursing officer ceased to compare check payments with issues and to ascertain the outstandings. Generally, they would continue to do that because the audit is so far behind that they can not get information of raised checks promptly if they do not get it for themselves. It might be possible to bring the audit of all accounts so closely up to date that the disbursing officers could be relieved of that work altogether, but the only saving of this sort now in prospect is in connection with pension checks.

We think pension checks can be audited promptly, and we have already devised a plan for doing it, and doing it much more economically than it is now being done. I believe the auditor has been pleading for additional clerks in connection with the pension-check audit. We have not been willing heretofore to make any definite statement as to what we could do there, but we are now convinced that we can provide a system by which the pension checks can be audited more effectively and more promptly than at present, and with a smaller force than is now required. We think our plan would effect a saving of 10 clerks. The auditor reports that he is now using on this work 34 clerks, and we think it can be done with 24 clerks

or less. The system that we propose, if carried into effect, will furnish just as rapid information to the disbursing clerk of the Pension Bureau concerning raised checks as he would get by checking up payments himself.

TUESDAY, FEBRUARY 23, 1915.

CAPITOL BUILDING AND GROUNDS.

STATEMENT OF MR. ELLIOTT WOODS, SUPERINTENDENT OF THE CAPITOL.

HOUSE OFFICE BUILDING, PAINTING.

Mr. BARTLETT. Mr. Woods, you can tell us what you want.

Mr. Woods. I submitted a letter to the chairman of the Committee on Appropriations, asking for \$25,983, for painting the House Office Building. The House Office Building was first occupied on January 10, 1908, and with the exception of the corridors and possibly two rooms none of the other spaces in the building have ever been painted.

Mr. BARTLETT. Sometimes the floors are painted.

Mr. Woods. Yes, sir; but I am referring to the side walls and ceilings now. When the office building was built, in order to save some \$30,000 or \$35,000, we succeeded in finding a certain kind of sand down the Potomac River, which, when mixed with the plastering in the rooms, gave it the buff tint it now has, and it saved painting. You see they were in great stress for the office building.

Mr. Sisson. How much will be required to do this painting?

Mr. Woods. Covering everything, \$25,983. We are asking \$25,983.

Mr. BARTLETT. There has been no opportunity in the past five years to do this work at all, because of the fact that Congress has been continually in session?

Mr. Woods. That is correct; and there is no use of my asking for it with the knowledge that an extra session would be called and that we would not have the opportunity to do the work. It will require something like five or six months now to get through the work without discomfort to those who come in during the summer time.

Mr. BARTLETT. Did this combination of sand and plaster used on the walls of the House Office Building meet your expectations?

Mr. Woods. Absolutely. It gave us very nice-looking walls, and the walls have remained almost permanent in color.

Mr. BARTLETT. What is the usual time in which an ordinarily prudent person will repair or paint walls of rooms in constant service like those in the House Office Building?

Mr. Woods. About every five years. This building has been occupied since 1908, or about six years.

Mr. BARTLETT. You have an estimate, have you not, Mr. Woods, of what it will cost?

Mr. Woods. Yes, sir; the estimate is \$25,983; and I will submit the details for the record.

Mr. Sisson. How many square feet are to be painted?

Mr. Woods. I do not have those figures here.

Mr. Sisson. How much will it cost per square yard to paint it?

Mr. Woods. It will cost 15 cents, I should imagine. It will cost 12 or 15 cents.

Mr. Sisson. That includes paint, oil, labor, and everything?

Mr. Woods. Yes, sir.

Mr. Sisson. How many coats do you expect to put on?

Mr. Woods. Some of the walls will have to have three coats.

Mr. Sisson. Will you insert in the record a statement showing the number of square yards of surface to be painted?

Mr. Woods. Yes, sir.

Mr. Sisson. Do you think it will cost 15 cents per square yard?

Mr. Woods. Some of it will; yes, sir.

Mr. Sisson. What is called a square in painting—10 feet each way?

Mr. Woods. One hundred square feet.

Mr. Sisson. How much will it cost per square?

Mr. Woods. I will have to figure that out. I will put that in the record. When I send a painter to estimate on a job like that, he figures it by the square foot.

Painting—House Office Building.

Ceiling, walls, and woodwork in all rooms (except Ways and Means, Judiciary, caucus, and rotunda)-----	\$13,750.00	
Halls, corridors, and stairways-----	4,285.00	
Rooms and corridors, fifth floor-----	2,248.00	
		\$20,283.00
Ways and Means-----	850.00	
Judiciary-----	850.00	
Rotunda-----	900.00	
Caucus room-----	1,600.00	
		4,200.00
Outside windows, etc-----		1,500.00
Total-----		25,983.00
Painting, 2 coats, 730 windows, at \$3-----		2,190.00
Painting, 2 coats, 864 doorframes, at \$2.80-----		2,430.40
Painting, 2 coats, 410 baseboards and picture moldings in rooms-----		820.00
Painting, 2 coats, 730 windows outside-----		1,460.00
Washing off present water color and painting 4 coats in oil the following:		
Committee room, Ways and Means, estimated-----		850.00
Committee room, Judiciary, estimated-----		850.00
Rotunda ceiling and walls (2 coats)-----		900.00
Caucus room, estimated-----		1,000.00
		11,100.40
In addition to the above we have in wall and ceiling surface in rooms, corridors, and stairway halls 125,000 square yards, ap- proximately (estimate based on 124,025 square yards), at 12 cents per square yard-----		14,833.00
Total estimate-----		25,983.40

Mr. Sisson. Contracts for painting are generally let by the square, are they not?

Mr. Woods. We do not usually do that now, but we do by the square foot or square yard.

Mr. Sisson. I mean commercially.

Mr. Woods. Yes, sir.

Mr. BARTLETT. Do you think that this painting is necessary, both for the preservation of the property as well as for its ornamentation?

Mr. WOODS. Yes, sir.

Mr. SISSON. And sanitation?

Mr. WOODS. Yes, sir. It will not be what you would call ornamental painting, but it will be plain painting with no decorative effects. I make that statement to impress upon you the fact that we are not attempting any special work, nor are we contemplating anything more than what is necessary to preserve the structure.

Mr. BARTLETT. In the ordinary course, considering the use of a building like this, you deem this work necessary at this time, and you would recommend it even for a private owner under like conditions?

Mr. WOODS. Yes, sir; I would.

FEBRUARY 16, 1915.

HON. JOHN J. FITZGERALD,

*Chairman Committee on Appropriations,
House of Representatives.*

DEAR MR. FITZGERALD: You know that there has been a great deal of complaint about the condition of the rooms in the House Office Building, with especial reference to the condition of the walls, etc. Since the building was opened for occupancy there has been no regular painting done other than that for minor repairs, and the protracted sessions of Congress have been factors in preventing a general overhauling. It seems absolutely necessary that something be done during the present season; that is to say, if we get anything like a recess, to get into the interior of the building and give it a thorough overhauling and painting.

I attach herewith an estimate in detail for this proposed work, and if, in your judgment, you think my request is proper, ask you to bring it to the attention of your fellow members on the House Office Building Commission and see if you can not get an appropriation in the general deficiency bill, under the subject of maintenance, House Office Building, in the sum of the estimate, twenty-five thousand nine hundred and eighty-three dollars (\$25,983).

In connection with the House Office Building, I might add that there is a very great demand for additional elevator service at the northeast corner of the building—corner of B Street and First Street. I took up the subject with the Otis Elevator Co., the contractors for the original installation, and they can furnish us additional equipment at prices not exceeding those contained in the original contract and complete the installation. The fact is, they are giving me a figure below the regular price in order to come within the balance I have on hand in connection with the construction of additional rooms.

If you think this is wise, please consult your colleagues and give me the necessary authority.

Sincerely,

E. WOODS,

Superintendent United States Capitol Building and Grounds.

GENERAL REPAIRS, CAPITOL BUILDING.

Mr. BARTLETT. What else have you?

Mr. WOODS. I have an estimate of \$5,000 for repairs in the present fiscal year, and to carry out the work that has been done in past years. This deficiency added to the \$30,000 annually appropriated for this purpose will hardly exceed the amounts appropriated in prior years. It would just about average the annual expenditure for past years, barring possibly last year.

Mr. BARTLETT. Will you put in the record a statement showing what those repairs are to be?

Mr. WOODS. It is for the ordinary upkeep of the building.

Mr. GILLETT. Have you been diminishing the force of elevator men?

Mr. WOODS. We have not.

Mr. GILLETT. Has the force continued the same?

Mr. WOODS. It has been the same in number during the past two or three years.

Mr. GILLETT. I notice that there are two elevators on this corner [referring to House Office Building], at New Jersey Avenue, but one of them is not running now.

Mr. WOODS. The same force of elevator men are operating two additional elevators which were put into service when the new rooms on the fifth floor were constructed. They run to the fifth floor now. That necessitated the throwing out of service one of the elevators at each side of the rotunda, but I think one elevator there is sufficient.

FEBRUARY 12, 1914.

HON. JOHN J. FITZGERALD,

Chairman Committee on Appropriations, House of Representatives.

SIR: It seems that it will be impossible for us to get through the present fiscal year on Capitol Building and Repairs without the additional sum of \$5,000.

The protracted sessions of Congress and the calls upon this office for incidental matters and repairs continue to be very heavy and have caused us to expend more than we anticipated. We will, therefore, require the above sum of \$5,000 to carry us on the most economical basis until July 1 next.

Very respectfully,

E. WOODS,

Superintendent United States Capitol Building and Grounds.

COURT OF CLAIMS BUILDING, REPAIRS.

Mr. BARTLETT. What else have you?

Mr. WOODS. I have an item here that I desire to bring to your attention relative to the Court of Claims Building. It is really an emergency item. The condition of the building, especially with reference to the electric wiring, the roofing, and the condition of the heating system, has been brought to my attention.

The CHAIRMAN. We have that estimate here of \$5,950.

Mr. WOODS. For the electrical wiring in the building our chief electrical engineer has made an estimate of \$3,000. The wiring is in an absolutely dangerous condition. It was put in long before the Court of Claims Building ever came under our jurisdiction.

Mr. GILLETT. Do we own that building or rent it?

Mr. WOODS. It is owned by the Government. It is the old Corcoran Art Gallery, now occupied by the Court of Claims. The wiring there has to be entirely renewed and put in in a modern way. To tell you the truth, I am surprised that there has not been a fire before this, and the roof is anything else than fireproof. Now, \$1,450 of the amount estimated is required to reroof the entire building with tin.

Mr. GILLETT. How long has it been since the building was roofed?

Mr. WOODS. I do not know, but I do not think it has been re-roofed since the building was erected. It is a honeycombed roof now.

Mr. GILLETT. Of what material is it?

Mr. WOODS. It is a tin roof.

Mr. BARTLETT. Do you remember when the Corcoran Art Gallery moved out from there?

Mr. WOODS. No, sir; I do not remember that.

Mr. BARTLETT. It has been at least 15 years since they moved out.

The CHAIRMAN. What is the balance for?

Mr. WOODS. The third item in there is \$900, which, together with the other items, make \$5,950.

The CHAIRMAN. What is the \$900 for?

Mr. WOODS. That is for repairing and reconstructing the heating apparatus. It is an old-fashioned, inefficient system, and if you spend \$900 on it you will save in two or three years enough to pay for the plant.

The CHAIRMAN. What is the \$600 for?

Mr. WOODS. I ask \$600 for emergency work in connection with the waterproofing of the basement of the building. You may remember that when the building was renovated, or some repairs made to it, we provided in the basement of that building storage space for files of the Treasury Department. On two sides of the building we constructed an areaway about 6 feet wide which gave them light and air, and we put in some new windows; but on the other two sides of the building, the east and north sides, nothing was done to protect the walls. We left the old court as it stood. It seems that the floor of the basement is below the surface and water seeps through the walls in rainy weather and runs over the floor of the filing room. That condition has been the subject of a report, or a memorandum report, by the Surgeon General. I think we ought to spend this \$600, because if it is not done the condition will eventually spoil the walls and create more damage than this \$600 will pay for.

FEBRUARY 12, 1915.

HON. JOHN J. FITZGERALD,

Chairman Committee on Appropriations.

House of Representatives.

SIR: I am transmitting herewith a copy of a letter received from the Chief Clerk, Court of Claims, Washington, D. C., calling my attention to certain conditions existing at the Court of Claims building which I have gone into and caused examination to be made. It seems to me absolutely essential that this property should be protected, and I therefore submit a deficiency estimate in detail as follows:

For repairing the electric wiring in the building, and for labor and material incident thereto.....	\$3,000
For repairing and reconstructing the heating system.....	900
For repairs to the roof.....	1,450

In addition to this I will state that I have received a letter from the Chief Clerk, Treasury Department, calling my attention to certain conditions existing in the basement of this building, where the Treasury Department has on store a large number of files which require almost daily attention of attendants. The Chief Clerk brings to my attention copy of a report made by the representatives of the Surgeon General, who made an inspection of the building, which, in brief, points out the fact that in wet spells of weather the basement becomes more or less flooded. Such a condition should not exist. Therefore, I ask that to make emergency repairs in form of waterproofing the exterior of the building that the sum of six hundred dollars (\$600.00) be allowed. Further, that all of the items herein submitted be made immediately available, making in all, five thousand nine hundred and fifty dollars (\$5,950.00) needed.

Very respectfully,

E. Woods,

Superintendent U. S. Capitol Building and Grounds.

COURT OF CLAIMS,
Washington, D. C., January 14, 1915.

Mr. ELLIOTT WOODS,
Superintendent United States Capitol Building and Grounds,
Washington, D. C.

SIR: The condition of the building occupied by the Court of Claims, in my judgment, demands your attention. The roof, an old tin one, leaks in many places so that in times of heavy rains the furniture, floors, and records are damaged and are constantly in danger of greater damage.

The frame of the roof is entirely of wood. The electric wiring done many years ago when the building was occupied by the Corcoran Art Gallery is, in my judgment, a daily menace to the building. Wires without proper insulation are run indiscriminately and without system above the ceiling and throughout the wooden structure that supports the roof. We are in constant fear of fire from this cause, and in a building of this character such a fire would almost inevitably result in the total destruction of the records of this court. The heating plant for the building is an old system, and on inspection I am sure you will find that the coal consumption is out of all proportion to the heat secured. I think a reasonable expenditure in correcting some of the imperfections of this system would in a very short time be reimbursed to the Government in the saving of coal bills.

I am compelled to call your attention to these conditions of this building because I feel that the officer who has charge of this Government property should know, and I respectfully request that you will investigate the matter and take such action as you may deem expedient.

Very truly, yours,

SAM'L. A. PUTNAM,
Chief Clerk.

FEBRUARY 4, 1915.

The honorable the SECRETARY OF THE TREASURY,
Washington, D. C.

SIR: In accordance with Executive order No. 1498, of March 15, 1912, I have caused an inspection to be made of the Corcoran Building, northeast corner of Seventeenth Street and Pennsylvania Avenue NW., used by the Auditor for the War Department.

I now have the honor to report that this inspection was made on February 2, 1915, by Passed Assistant Surgeon Robert Olesen, who submits the following report:

GENERAL CONSIDERATIONS.

All of the basement of the main building, except the fireroom, and the entire basement of the annex are used as file rooms. Generally speaking, the files are as well kept as the open shelving permits.

EXISTING CONDITIONS.

A. (1) *Water on floors.*—After each rain water to the depth of one-half to two inches is present on portions of cement floors of the file rooms. Whether this water seeps through the brick walls or results from the overflow of sewers is not known. Suffice it to say that water is frequently present in pools on the floors and was at the time of the inspection.

For the purpose of inspecting records contained in the files, clerks from the Winder Building visit these basement rooms frequently and must often wade through or actually stand in the pools of water.

If the water should rise sufficiently high, the files would be in danger of damage or destruction. Another source of danger to the files arises from water of condensation formed on the pipes running overhead. In several places this water has dropped on the file cases. * * *

B. *Possible effects of present conditions.*—That damage or even destruction of records may result from the accumulation of water in these basements is self-evident.

Still more serious is the possible deleterious effect upon the health of clerks who are compelled to work in an unduly moist atmosphere or who get their feet wet from standing in or walking through pools of water.

Respectfully,

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Surgeon General.

Mr. GILLETT. How many men do you employ?

Mr. Woods. The force varies. Do you mean altogether?

Mr. GILLETT. Yes.

Mr. Woods. I should say at the present time there are about 120 men on the roll. The roll will vary from 120 men to about 225 in the summertime, when we are very busy.

Mr. GILLETT. Is that about the average, year after year?

Mr. Woods. It has been for the past three or four years. There are some 80 persons employed in connection with the power plant, and I should say we have about 20 men on annual repairs at this time of the year. That would be 100 men, and at the present time on the Capitol grounds we have on the pay roll 50 men, making 156 in all. At least one-third of those on the grounds will be off from the 1st of February to the 1st of June. That is a fair average of the force.

METAL SHELVING FOR STOREROOMS OF HOUSE LIBRARY.

The CHAIRMAN. You are asking \$6,000 for metal shelving in the House library.

Mr. Woods. I can give you but little information on that subject, except to say this, that it was brought to my attention and I secured estimates for the purpose.

The CHAIRMAN. Where is this metal shelving to go?

Mr. Woods. Mostly downstairs. The shelving is in very bad shape. It is wooden shelving and is too weak to carry the documents placed on it, and, besides, it is not fireproof.

The CHAIRMAN. Is there any danger of the shelving falling down?

Mr. Woods. There is great danger of that. In fact, the shelving is now braced up by struts.

Mr. BARTLETT. Is that the place where they store documents belonging to the document room?

Mr. Woods. No, sir; I think this is an adjunct to the House library alone, and not to the document room.

Mr. GILLETT. Do you think there is danger of the shelving falling down? I was told that there was some danger that it might fall down.

Mr. Woods. Yes, sir; there is danger of that.

The CHAIRMAN. I think the librarian told me that there was danger of the shelving tumbling down.

Mr. Woods. It was sufficiently bad looking for me to caution the man who went in there with me. The shelving is supported by struts. Those documents are quite heavy, and the shelving was not intended to support that class of documents. Some of the shelves are bent so badly that they are pulling away from the side pieces that hold them together, so that men have had to go there and put struts under the shelving to hold it up. If one of them should fall out there would be 12 or 15 feet of heavy documents tumbling down.

Mr. GILLETT. I should think that is a condition that might be dangerous.

Mr. Woods. Yes, sir. The librarian tells me that he and his assistants have to go through there to secure certain reference books that are desired. I can see why he is fearful that something may happen to him or his assistants.

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